KEPPEL OPP'N EXH. 17

Keppel Corporation

CONFIGURED FOR GROWTH

Report to Shareholders 2013

Vision

To be the provider of choice for solutions to the offshore & marine industries, sustainable environment and urban living.

Mission

We will develop and execute our businesses profitably, with safety and innovation, guided by our three key business thrusts of Sustaining Growth, Empowering Lives and Nurturing Communities.

Contents

CONFIGURED FOR GROWTH

Constantly shaping itself for the future, Keppel's drive for sustainable growth finds expression in the tangram, a symbol of flexibility and potential.

Key Figures for 2013

Revenue

$12.4b

Decreased 11% from FY 2012's $14.0 billion

Revenue decreased mainly due to lower contribution from Reflections at Keppel Bay and as new Offshore & Marine jobs have not reached the stage of revenue recognition. These were partially offset by better performance of the Infrastructure Division.

Net Profit

$1,412m*

Decreased 26% from FY 2012's $1,914 million

Net profit before revaluation, major impairment and divestments decreased mainly due to the absence of one-off contribution from sales of Reflections at Keppel Bay units in FY 2012 arising from units sold under the deferred payment scheme, and fewer disposals of equity investments in FY 2013. These were partly offset by higher profits from China and gains from the divestment of Jakarta Garden City.

Return On Equity

14.9%*

Decreased by 7.7 percentage points from FY 2012's 22.6%

Return On Equity decreased mainly due to the decline in net profit and higher equity.

Economic Value Added

$939m*

Decreased 32% from FY 2012's $1,375 million

Lower Economic Value Added was mainly due to lower net operating profit after tax and higher capital charge.

Earnings Per Share

78.2cts*

Decreased 27% from FY 2012's 106.8 cents per share

No significant dilution in Earnings Per Share as no major capital call was made since 1997.

Distribution Per Share

49.5cts

Decreased 33% from FY 2012's 73.6 cents per share

Total distribution for 2013 will comprise a final proposed dividend of 30.0 cents per share, an interim cash dividend of 10.0 cents per share, and a special dividend *in specie* of eight Keppel REIT units for every 100 shares held in the Company (equivalent to 9.5 cents per share).

Net Asset Value Per Share

$5.37

Increased 4% from FY 2012's $5.14 per share

Net Gearing Ratio

0.11x

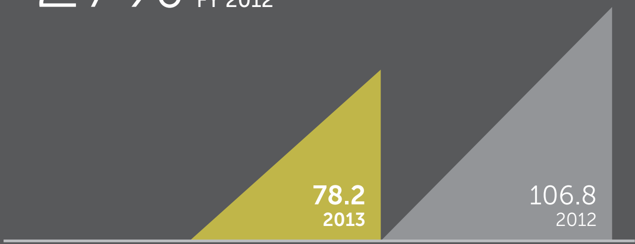
Decreased from FY 2012's net gearing of 0.23x

* Figures exclude revaluation, major impairment and divestments.

Group Financial Highlights

Earnings Per Share (cents)**

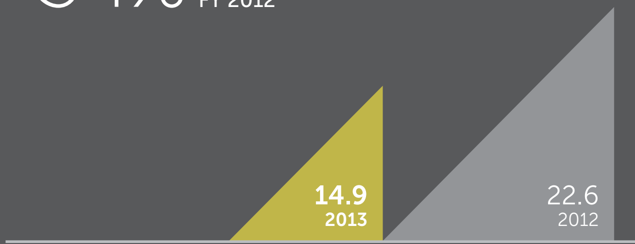
-27% from FY 2012



No significant dilution in Earnings Per Share as no major capital call was made since 1997.

Return On Equity (%)**

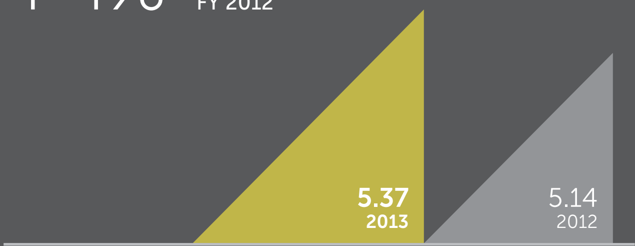
-34% from FY 2012



Return On Equity decreased mainly due to the decline in net profit and higher equity.

Net Asset Value Per Share ($)

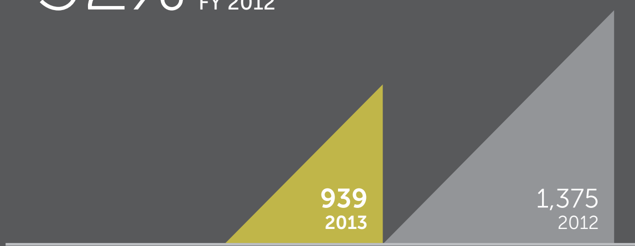
+4% from FY 2012



Increased 4% from FY 2012's $5.14 per share.

Economic Value Added ($ million)**

-32% from FY 2012



Lower Economic Value Added was mainly due to lower net operating profit after tax and higher capital charge.

Group Quarterly Results ($ million)

	2013					2012				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Revenue	2,759	3,076	2,947	3,598	12,380	4,266	3,481	3,219	2,999	13,965
EBITDA	425	481	572	538	2,016	996	660	469	482	2,607
Operating profit**	371	422	507	474	1,774	946	610	415	425	2,396
Profit before tax**	470	519	608	566	2,163	994	680	482	539	2,695
Attributable profit**	331	346	403	332	1,412	751	521	337	305	1,914
Earnings per share (cents)**	18.4	19.1	22.3	18.4	78.2	41.9	29.1	18.8	17.0	106.8

	2013	2012	% Change
For the year ($ million)			
Revenue	12,380	13,965	-11%
Profit (before revaluation, major impairment and divestments)			
EBITDA	2,016	2,607	-23%
Operating	1,774	2,396	-26%
Before tax	2,163	2,695	-20%
Net profit	1,412	1,914	-26%
Attributable profit after revaluation, major impairment and divestments	1,846	2,237	-17%
Operating cash flow	625	1,006	-38%
Free cash flow*	642	625	+3%
Economic Value Added (EVA)			
Before revaluation, major impairment and divestments	939	1,375	-32%
After revaluation, major impairment and divestments	1,142	1,430	-20%
Per share			
Earnings (cents)			
Before tax & revaluation, major impairment and divestments	96.3	130.4	-26%
After tax & before revaluation, major impairment and divestments	78.2	106.8	-27%
After tax & revaluation, major impairment and divestments	102.3	124.8	-18%
Net assets ($)	5.37	5.14	+4%
Net tangible assets ($)	5.32	5.08	+5%
At year-end ($ million)			
Shareholders' funds	9,701	9,246	+5%
Non-controlling interests	3,988	4,332	-8%
Capital employed	13,689	13,578	+1%
Net debt	1,535	3,153	-51%
Net gearing ratio (times)	0.11	0.23	-52%
Return on shareholders' funds (%)			
Profit before tax & revaluation, major impairment and divestments	18.4	27.6	-33%
Net profit before revaluation, major impairment and divestments	14.9	22.6	-34%
Shareholders' value			
Distribution (cents per share)			
Interim dividend	10.0	18.0	-44%
Final dividend	30.0	27.0	+11%
Special dividend *in specie*	9.5	28.6	-67%
Total distribution	49.5	73.6	-33%
Share price ($)	11.19	11.00	+2%
Total Shareholder Return (%)	9.0	22.9	-61%

* Free cash flow excludes expansionary acquisitions and capex, and major divestments.
** Figures exclude revaluation, major impairment and divestments.

Group at a Glance

KEPPEL CORPORATION

STRATEGIC DIRECTIONS

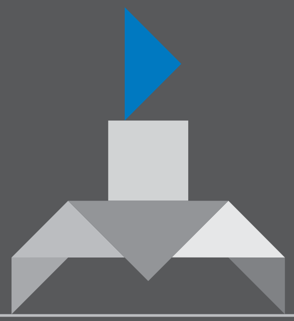
- Stay focused on multi-business model and core competencies, while seeking opportunities in close adjacencies.
- Sharpen execution through constant improvements to optimise productivity and efficiencies.
- Invest continuously in Research & Development and innovation to provide customers with the best value proposition.
- Bolster bench strength through talent management and succession planning.
- Maintain strong financial discipline and deploy capital astutely to seize opportunities for the best risk-adjusted returns.

Year	**Revenue** ($ million)
2013	**12,380**
2012	13,965
2011	10,082
2010	9,140
2009	11,990

Year	**Net Profit*** ($ million)
2013	**1,412**
2012	1,914
2011	1,491
2010	1,307
2009	1,190

* Net profit excludes revaluation, major impairment and divestments.

OFFSHORE & MARINE



FOCUS FOR 2014/2015
- Sharpen execution and grow technology expertise to amplify value proposition.
- Boost productivity through innovation.
- Harness synergy of global yards and leverage *Near Market, Near Customer* strategy to seize opportunities in new markets and adjacent businesses.
- Maintain emphasis on talent management and Health, Safety and the Environment.

Year	**Revenue** ($ million)	**Net Profit*** ($ million)
2013	**7,126**	**930**
2012	7,963	937
2011	5,706	1,064
2010	5,577	987
2009	8,273	810

INFRASTRUCTURE

FOCUS FOR 2014/2015
- Optimise operational efficiency of existing assets.
- Complete Engineering, Procurement and Construction projects in Qatar and the UK.
- Grow expertise in Waste-to-Energy technology package development.
- Focus on meeting demand for quality integrated logistics services and data centre space.

Year	**Revenue** ($ million)	**Net (Loss)/Profit*** ($ million)
2013	**3,459**	**(14)**
2012	2,832	(1)
2011	2,863	82
2010	2,510	57
2009	2,427	126

PROPERTY

FOCUS FOR 2014/2015
- Focus on Singapore, China, Indonesia and Vietnam.
- Expand commercial portfolio overseas.
- Scale up in high-growth cities and invest opportunistically in growth markets.
- Recycle capital actively for higher returns.
- Grow fee income from fund management.

Year	**Revenue** ($ million)	**Net Profit*** ($ million)
2013	**1,768**	**442**
2012	3,018	784
2011	1,467	300
2010	1,042	214
2009	1,251	135

INVESTMENTS

FOCUS FOR 2014/2015
- k1 Ventures will manage its investment portfolio to maximise shareholder value, and distribute excess cash as investments are monetised.
- KrisEnergy will seek acquisitions in countries and basins where it has extensive knowledge and experience.
- M1 will strengthen its position by improving on customer experience and providing value-added services.

Year	**Revenue** ($ million)	**Net Profit*** ($ million)
2013	**27**	**54**
2012	152	194
2011	46	45
2010	11	49
2009	39	119

Keppel Around the World

With a global presence in over 30 countries, we leverage our *Near Market, Near Customer* strategy to create sustainable growth and value.

Total FY 2013 Revenue

$12,380m

Group revenue was 11% lower than in FY 2012.

- OFFSHORE & MARINE
- INFRASTRUCTURE
- PROPERTY
- INVESTMENTS

India
$18m

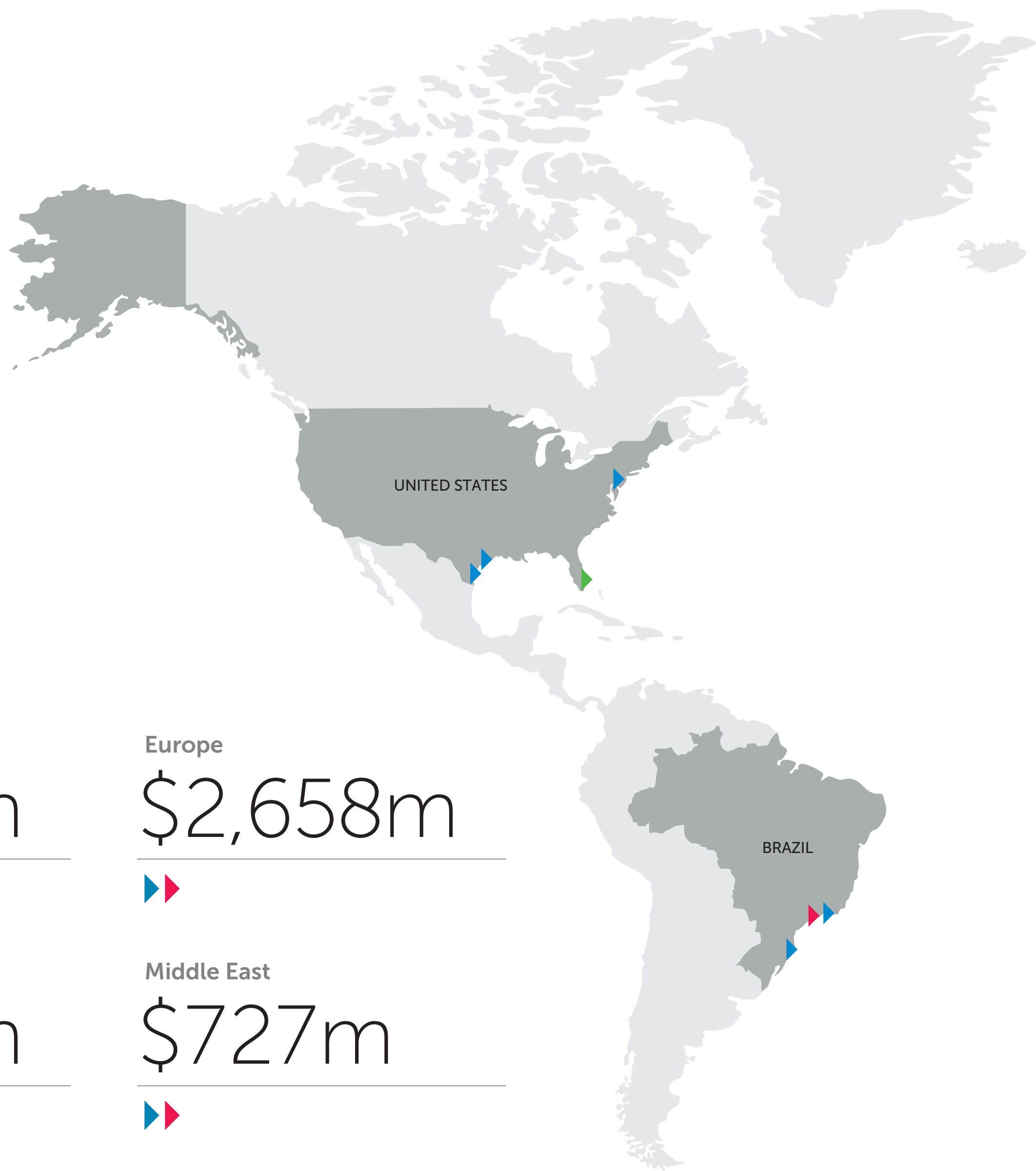
Singapore
$4,588m

Japan & South Korea
$100m

Rest of ASEAN
$616m

China & Hong Kong
$665m

Australia
$158m



North America
$1,686m

Europe
$2,658m

South America
$1,164m

Middle East
$727m

Chairman's Statement

We reaffirmed our multi-business strategy, even as we explored new opportunities in close adjacencies. We also remain focused on delivering incident-free, quality and timely execution of our projects, whilst challenging ourselves to further improve efficiencies and raise productivity.

DEAR SHAREHOLDERS,

We celebrated Keppel Corporation's 45th anniversary in 2013. It was a significant milestone and an opportunity to reflect on our strengths and achievements. As Keppelites, we celebrated our culture and core values, which continue to drive us to make a great company even better.

We reaffirmed our multi-business strategy, even as we explored new opportunities in close adjacencies. We also remain focused on delivering incident-free, quality and timely execution of our projects, whilst challenging ourselves to further improve efficiencies and raise productivity.

COMMENDABLE PERFORMANCE

Much of 2013 saw the world's financial markets shaken by anxiety over the impact of the US Quantitative Easing tapering. In Europe, recovery was slow and patchy while China achieved a modest 7.7% GDP growth for the year amid a new leadership and ensuing reforms. Singapore's 2013 GDP growth at 4.1% was slightly above the target of the government's earlier revised growth forecast of between 3.5% and 4.0%.

Against the climate of uncertainty, Keppel Corporation has performed creditably. Excluding revaluations, our net profit was $1.4 billion and our Return On Equity (ROE) was 14.9%. Economic Value Added was $939 million for the year. Including revaluations, impairments and divestments, our net profit for the year was $1.85 billion and ROE was 19.5%.

The Board of Directors has proposed a final dividend of 30.0 cents per share. Together with the interim dividend of about 19.5 cents per share, comprising a cash dividend of 10 cents per share and a dividend *in specie* of Keppel REIT units equivalent to 9.5 cents per share, total distribution for 2013 will be 49.5 cents per share.

OFFSHORE & MARINE

2013 was a record year for Keppel Offshore & Marine (Keppel O&M) as 22 rigs were delivered on time, within budget and safely to our customers globally. The remarkable feat was achieved with investment in new technology and equipment, optimisation of our processes, as well as through leveraging our strong network of yards. We have not only reaped efficiencies from the integration of our regional network of yards but also equipped them to take on higher value offshore work.

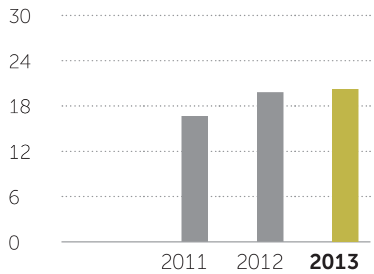
Building on its *Near Market, Near Customer* strategy, Keppel O&M inked an Memorandum of Understanding with PEMEX in October 2013 to jointly develop, own and operate a yard in Altamira along the coast of the Gulf of Mexico. The first phase will support the construction of six KFELS B Class jackups. Through the partnership with PEMEX, we will be able to tap each other's technological expertise and extensive experience to provide world-class solutions for the Mexican market.

For the year, Keppel O&M secured about $7 billion of new contracts in total from new and repeat customers. Our net orderbook stood at about $14.2 billion as at end December 2013, with deliveries extending into 2019.

Keppel FELS won a number of significant contracts in 2013. Mexican drilling company, Grupo R, signed with Keppel FELS to build five KFELS B Class jackups worth over US$1 billion for delivery progressively from 2Q 2015 to 4Q 2015. Keppel FELS also won orders for a KFELS B Class

The KFELS B Class jackup has become the industry's benchmark, with more than 50 units delivered since its launch in 2000.

Market Capitalisation ($ billion)



2011	2012	2013
16.6	19.8	**20.2**

jackup each from repeat customers such as Ensco, Jindal Group and PV Drilling.

In November 2013, Keppel FELS won a major Transocean order to build five KFELS Super B Class jackups for US$1.1 billion, with deliveries from 1Q 2016 to 3Q 2017. In addition, Transocean has options to build another five similar rigs with Keppel FELS.

Keppel O&M, through its subsidiaries, Caspian Rigbuilders BV and Caspian Shipyard Company, secured a contract from Caspian Drilling Company, a subsidiary of the State Oil Company of Azerbaijan Republic, to build a DSS™ 38M semisubmersible drilling rig worth about US$800 million.

The offshore and marine market is getting more competitive. To strengthen and fortify our leadership position, we will continue to invest in technology to enhance our efficiency. We will also partner trend-setting customers as well as universities to sharpen our technology know-how in innovative solutions for new offshore frontiers.

Presently, we have a suite of 30 proprietary designs and will continue to expand on our offerings. In line with this, Keppel O&M has decided to proceed with the construction of the new Keppel CAN-DO drillship. The new drillship design, developed in close consultation with our customers, major oil companies and vendors, advances our efforts towards meeting the needs in the industry for vessels capable of performing development and completion drilling in addition to exploration drilling. We have been receiving encouraging response from the market since the launch of the Keppel design in the later part of 2013.

To further strengthen our Research & Development capability, Keppel and the National University of Singapore announced a collaboration with the National Research Foundation on 25 November 2013 to set up the Keppel-NUS Corporate Laboratory to pursue three main research thrusts - Future Systems, Future Yards and Future Resources - to maintain our position as a global leader in the offshore and marine industry.

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INFRASTRUCTURE

Our infrastructure division marked an important milestone in 2013. Keppel Energy and Keppel Integrated Engineering were reorganised to become Keppel Infrastructure. The new entity has been busy building up its strengths in the power and gas business, tightening operations of the Waste-to-Energy (WTE) projects and growing its portfolio of related technology solutions.

In the power sector, we expect more competition with the power retail market liberalisation and as more generation capacities come on stream. We will ensure that our power plant operates more efficiently in a more competitive market. Keppel Merlimau Cogen's new 800MW power generation facility was completed ahead of schedule, expanding the plant's total capacity from 500MW to 1,300MW. It is now fully operational and has boosted overall efficiency.

In the WTE business, we continued to face challenges with the EPC contracts in Doha, Qatar and Greater Manchester, the UK. We had to take additional provisions at the year end. While we deem the provisions as necessary and adequate for the time being, we cannot be certain until the projects are completed.

Our teams remain focused on completing the projects and minimising losses to the Group. Having learnt from the experience, we will continue to build, own and operate infrastructure projects in areas where we have stronger technical knowledge and deeper understanding of the markets.

Keppel Telecommunications & Transportation (Keppel T&T) made further progress to build up its reputation as a choice provider of high-quality, reliable logistics and distribution services in China. During the year, its subsidiary, Keppel Logistics (Foshan) acquired a 60% stake in Foshan Sanshui Port Development Co, making it its third port project in China. Cargo throughput for its Wuhu Sanshan Port in Anhui Province, which commenced operations in 2013, has been encouraging. The construction of its other logistics and distribution hubs in China is on track, an example being the Tianjin Eco-City Distribution Centre which is scheduled to be completed in the second half of 2014.

Demand for data centre space remains robust, sustained by the rising trends in cloud computing, e-commerce and exceptional growth in social media. In 2013, Keppel T&T expanded its data centre portfolio, adding more capacity in Singapore, Ireland and the Netherlands. To ride on the growing demand, Keppel T&T is exploring the setting up of a data centre real estate investment trust to be listed on the Singapore Exchange.

PROPERTY

In property, our key markets are Singapore, China, Indonesia and Vietnam. Geographical diversification has reduced our risk exposure in any one market while allowing us to allocate resources to scale up in growth markets and compete better.

Notwithstanding government tightening measures and the softening market in Singapore and China, Keppel Land sold over 4,400 homes, mostly in China, almost twice the number sold in 2012.

During the year, Keppel Land entered into a strategic partnership with China's largest residential developer, China Vanke, to jointly develop properties in Singapore and China. The first joint project is The Glades, a condominium at Tanah Merah, Singapore, in which Vanke has acquired a 30% stake.

In 2013, Keppel Land sold 370 units in Singapore, mostly from The Glades and Corals at Keppel Bay. There are plans to launch the 500 homes at the Tiong Bahru site over phases in the first half of 2014. Acquired in April 2013, the site is located in a precinct which is popular for its proximity to the CBD and heritage appeal.

The Group sold 3,870 units in China in 2013, with strong take-up in major projects including The Botanica in Chengdu as well as The Springdale and 8 Park Avenue in Shanghai. In 2014, there are plans to launch new projects such as Hill Crest Villa in Chengdu and Waterfront Residence in Nantong.

Faced with a cooling market, Keppel Land has been disciplined and selective in acquisitions. In Singapore, Keppel acquired the Tiong Bahru site while in China, it purchased two prime landed residential sites, one in Sheshan, Shanghai and the other in Tianjin Eco-City. The two sites in China will yield a total of about 550 landed homes.

To strengthen and fortify our leadership position, we will continue to invest in technology to enhance our efficiency. We will also partner trend-setting customers as well as universities to sharpen our technology know-how in innovative solutions for new offshore frontiers.

1. With its capacity expanded to 1,300MW, Keppel Merlimau Cogen has boosted its overall efficiency.

2. Keppel's homes in China's high-growth cities continued to receive positive response.

Keppel Land also undertakes a disciplined and proactive approach in the divestment of its assets to achieve higher returns. In Indonesia, it divested its stakes in Jakarta Garden City and Hotel Sedona Manado during the year. Proceeds from both divestments, totaling about $246 million, will be reinvested into new opportunities in Indonesia, with a focus on Jakarta. In January 2014, Keppel Land announced the acquisition of a well-located site in West Jakarta where it will develop more than 1,200 apartments and 60 ancillary shophouses. The first phase of these homes is slated for launch in 2015.

Building on its strength in developing and managing commercial buildings, Keppel Land China together with Alpha Investment Partners acquired an 80% stake in Life Hub @ Jinqiao, a mixed-use development in Shanghai, China. Keppel Land also plans to develop Park Avenue Central in Shanghai into a retail cum office complex, to be completed around 2017/2018. In Indonesia, construction of Tower 2 of International Financial Centre Jakarta is underway. In Singapore, commitment at Marina Bay Financial Centre Tower 3 reached 95%, up from 79% in 2012.

2013 was also an active year for our property fund management units whose combined assets under management now amount to about $17.7 billion. Alpha Investment Partners raised more than US$1.65 billion for its Alpha Asia Macro Trends Fund II, exceeding its target of US$1 billion. Keppel REIT expanded its footprint in Australia with the acquisition of stakes in two Grade A office developments in Perth and Melbourne. The REIT's liquidity has improved with a larger free float of 55%, up from 24%, following Keppel Corporation's divestment of its stakes and distribution *in specie*, as well as the placement of new units.

NURTURING COMMUNITIES

Keppel is committed to nurturing communities wherever it operates by improving the quality of life and the environment with sustainable solutions.

In 2013, Sino-Singapore Tianjin Eco-City (Tianjin Eco-City), where Keppel is the leader of the Singapore consortium, celebrated its fifth anniversary. Since breaking ground in 2008, Tianjin Eco-City has been transformed into an eco-township with shops, offices, clinics, schools and other community amenities. Today, Tianjin Eco-City is home to about 10,000 residents and has attracted more than 1,000 companies with over RMB700 million in registered capital. About 60 Singapore companies have participated in the development of the city, with a total investment of US$850 million.

Even as we celebrate our achievements, we remember our responsibilities to the communities we are a part of, whose well-being contribute to the sustainability of our businesses.

To commemorate Keppel Corporation's 45th anniversary, we donated $1.5 million to the President's Challenge through the Keppel Care Foundation and our volunteers exceeded our pledge of 5,000 hours with more than 9,000 hours of community service. August was designated as the Keppel Community Month and employees across the Group were engaged in diverse activities in outreach to the underprivileged in Singapore and overseas.

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To nurture a new generation of creative and critical thinkers through art education, Keppel Corporation will commit $12 million, which will be paid over eight years, to the National Art Gallery, Singapore in support of its Centre for Art Education. To be named the Keppel Centre for Art Education, it is projected to engage 250,000 children and youths every year when it opens its doors in 2015.

ACKNOWLEDGEMENTS

The leadership transition in Keppel has been smooth, with continued confidence in our strong foundations and support of our staff, management and shareholders.

We welcome Mr Loh Chin Hua as CEO of Keppel Corporation from 1 January 2014 as well as Mr Chow Yew Yuen as CEO of Keppel Offshore & Marine and Mr Chan Hon Chew as Chief Financial Officer of Keppel Corporation from 1 February 2014, and extend to them our support and vote of confidence.

We would also like to extend our deepest appreciation and gratitude to Mr Choo Chiau Beng, former CEO of Keppel Corporation and Chairman of Keppel Offshore & Marine as well as Keppel Land, and Mr Tong Chong Heong, former Senior Executive Director of Keppel Corporation and CEO of Keppel Offshore & Marine, for their dedicated service of more than four decades each. They had committed much of their lives to build legacies to benefit future generations at Keppel.

In the midst of global volatility and uncertainties, we are spurred to achieve greater heights by our shareholders' continued support, trust and confidence in Keppel, for which we are most appreciative.

As we march onward to shape Keppel's future, I wish to express my appreciation to shareholders, directors, management, partners, customers and other stakeholders for your unwavering support. Thank you.

Yours sincerely,

LEE BOON YANG
CHAIRMAN
26 February 2014

Even as we celebrate our achievements, we remember our responsibilities to the communities we are a part of, whose well-being contribute to the sustainability of our businesses.

1. Keppel's volunteers brought students from the Movement for the Intellectually Disabled of Singapore for an eco-tour during the Keppel Community Month.

Interview with the CEO

A successful conglomerate is one that sticks to its core competencies. We will look at our value chains holistically to determine where the profit pools are, and for niches where we can add value consistently.

LOH CHIN HUA

Q: What are some of your top priorities since you came onboard as CEO at the start of 2014?

A: I have taken over a strong company with sturdy foundations and a resilient global team. My focus is to ensure that we build on our achievements continually to make Keppel an even better and more successful company that will endure for generations.

Strong execution, from the implementation of business strategy to the delivery of projects, has been one of Keppel's defining strengths, and it will continue to play a vital role in the way we operate and compete. We will be looking more deeply into how we can sharpen our core competencies, especially with innovation for new and better solutions as well as more effective processes that will put the Group ahead of the curve. Our focus must be to continuously improve upon our value proposition to customers.

A core pillar of our strategy is to continue attracting and retaining the best talents possible to steer Keppel into its next lap of growth. In this respect, we will bolster our bench strength, nurture and develop our talents to take on fresh challenges and expanded roles. We will also be working hard to maintain strong financial discipline and ensure that our capital is always productively deployed to earn the best returns on a risk-adjusted basis.

Q: What is your view of the Keppel Group's multi-business model, and will you be making any strategic shifts?

A: Keppel has adapted well and performed remarkably through severe crises and cyclical downturns, bolstered in no small measure by its multi-business model. In the process, we have also built up deep knowledge, expertise and strong track records in our chosen sectors.

Our current business mix is the result of a deliberate and considered strategy, which has been constantly refined with the guidance of an astute Board. A successful conglomerate is one that sticks to its core competencies. We will look at our value chains holistically to determine where the profit pools are, and for niches where we can add value consistently. Even as we look for new opportunities, we shall not stray too far from our core competencies.

At the same time, we will be disciplined in pruning non-core businesses and assets, monetising them and recycling the capital to generate better returns.

My leadership team and I will be charting our way in a business environment that is full of challenges and new opportunities at the same time. With clarity of focus and good discipline, we will be able to build on the work of our predecessors and take Keppel to new heights.

Q: How will capital be managed and resources allocated across businesses in the Group?

A: Keppel has been able to seize growth prospects even when the chips are down. This was possible because we have the financial strength to capture arising opportunities and withstand shocks to the system.

As a conglomerate, we must deploy our capital judiciously to earn the best risk-adjusted returns. We will operate with a capital-constrained mindset, giving priority to business opportunities that best meet our investment criteria and hurdle rates after risk adjustments. Maintaining financial discipline and a strong balance sheet will put us in pole position to seize the right growth opportunities.

Q: There have been concerns about an overall slowdown in spending in the global oil and gas industry. What is your outlook, and what are some of the key trends that could work in Keppel's favour?

A: Global exploration and production (E&P) spending is still expected to grow in 2014, albeit at a slightly slower pace of 6%, compared to 7% the year before. While international oil majors are tightening their belts a little, they will be quite selective about the areas to pull back on.

Meanwhile, growing populations and a widening middle class will continue to drive global demand for oil and gas. Supply however, will be tight as existing oil fields are depleting at a rapid rate. Although shale gas has exerted some influence over the industry, we still expect E&P spending to be fairly robust in the years ahead, underpinned by the strong market fundamentals.

In fact, the trends have been encouraging in the markets where we operate. Over in Latin America, our customers are stepping up efforts to raise production levels. Petrobras is committed to double its current oil output to 4.2 million barrels per day by 2020. It has set aside US$153.9 billion for E&P between 2014 and 2018, up 4.3% from the previous 2013 - 2017 budget, to cope with concurrent demands in production and exploration. Moreover, for every oil rig or floating production system that goes to work, there will

be demand for support vessels and ancillary services that Keppel is able to effectively provide in Brazil.

Up north, Mexican oil production has fallen by nearly a quarter in the past decade, and PEMEX is determined to reverse this decline by ramping up shallow water E&P in the near term. Further afield, reforms in Mexico's energy sector is expected to draw substantial foreign investments for oil and gas, particularly in the mid and deepwater segments. Mexico is an exciting market, which holds long-term potential for Keppel, and we are privileged to participate in its growth together with our customer and partner, PEMEX.

In the Caspian Sea, the sanctioning of the second phase development of Azerbaijan's Shah Deniz field paves the way for further investments of about US$28 billion. Shah Deniz II is an important step towards the creation of a southern energy corridor, which will enable the European Union to secure gas supplies directly from the Caspian region and the Middle East. We are presently executing a semisubmersible drilling rig in Azerbaijan for the State Oil Company of Azerbaijan Republic, and are prepared to build more rigs and support vessels that will cater to this captive market in the long run.

Potential exists in various pockets of the global oil and gas industry, which through our *Near Market, Near Customer* strategy, Keppel is well-disposed to capture for further growth.

Q: What are your views on the competition in the offshore and marine business? How will Keppel continue to differentiate itself and maintain an edge over bigger rivals such as the Chinese and Koreans?

A: It is natural to face rivalry in any business where there is a growing profit pool. For us, the competition has always been intense and global. Nonetheless, we have built up distinct advantages that our competitors will find hard to overcome or replicate.

Our *Near Market, Near Customer* strategy for instance, has given us a solid head start in far-off markets such as Brazil and the Caspian, where national oil companies seek local content. Having well-established yards in these countries gives us a clear edge over a new entrant who might be attempting to build a new yard and execute its projects all at once. More importantly, Keppel is known for reliability and quality execution; our products are well regarded by drillers and operators for their capabilities and because of our on-time, on-budget and safe deliveries.

To further distance ourselves from the competition, we must continue to provide our customers with the best value proposition. At the same time, we will be on the lookout for new profit pools that we can tap consistently to stay ahead of rivals and shifting markets.

We will also continue to invest wisely in Research & Development and create a culture where our people dare to take thoughtful risks across the value chain. We will collaborate with our customers, industry partners and universities to develop new solutions, seizing every opportunity to innovate and produce industry-leading products such as our KFELS B Class jackup.

Q: What is the thinking behind building your first drillship without a contract from a driller or operator? How do you intend to penetrate a market dominated by Korean yards?

A: The decision to proceed with the construction of the new Keppel CAN-DO drillship, which was developed in close consultation with our customers, major oil companies and vendors, is a step towards meeting the industry's needs for vessels capable of performing development and completion drilling in addition to exploration drilling.

In our design, we have incorporated a generous functional deck space, 70% more spacious then conventional drillships, to allow for the

installation of third party equipment invariably required for development and completion drilling. In addition, our drillship has a double blowout preventer stack that fulfills post-Macondo safety standards.

From an oil and gas exploration project life cycle perspective, Keppel's CAN-DO drillship, with its breadth of capabilities, offers a more holistic and cost-effective deepwater drilling solution, as compared to rival designs in the market.

Since the launch of the CAN-DO drillship, we have been receiving encouraging response from the market. However, it is not just about winning orders for the drillship that matters but also making sure that we can make a good profit from them. We are confident of our design and execution, and will await an opportune time when we can secure a better price to more fairly reflect the many added features of this quality drillship.

Q: Please provide an update on Keppel's partnership with PEMEX. Do you anticipate the operating conditions in Mexico to be as difficult as in Brazil? What are some of the challenges with regards to setting up and running a new yard in Mexico?

A: We are still firming up details of our joint venture with PEMEX. We plan to develop the new yard in Altamira over several phases, with an initial focus on jackup rig construction and repairs in anticipation of a higher level of shallow water activity in the near future.

We believe that we can continue to capture good value in the mid to long term, as deepwater activities rise on the back of the country's energy sector reform. We plan to meet the needs of the deep and ultra-deep water segments in subsequent phases, by offering our repertoire of expertise in semisubmersibles and Floating Production Storage and Offloading units, among others.

The CAN-DO drillship, with its breadth of capabilities, offers a comprehensive and cost-effective deepwater drilling solution.

Keppel T&T's Sino-Singapore Jilin Food Zone International Logistics Park will meet rising demand for quality logistics services in China.

Going to a new market always carries some risks. However, it is worth noting that the conditions surrounding our entry into Mexico are very different from when we started out in Brazil. We went into Brazil in 2000 without promise of work from any drillers or operators. By contrast in Mexico today, we are working directly with PEMEX and have their commitment to build six new KFELS B Class jackups along with the new yard.

Our privileged position with the Mexicans is due in no small measure to our track record for having consistently delivered quality projects to PEMEX and its drilling contractors through Keppel AmFELS in Brownsville, Texas.

Our Brownsville yard, which has been in operations for over 20 years, is located close to the Altamira yard, and employs a workforce comprising a majority of Mexicans and Hispanic Americans. This has helped us acquire an even deeper understanding of the Mexicans and their culture. Furthermore, our direct partnership with PEMEX coupled with decades of experience operating in the US and Brazil, puts us is a good position to meet the challenges of operating in Mexico.

Q: Can you provide some details on the cost overruns in the Engineering, Procurement and Construction (EPC) infrastructure projects? When will the projects be completed and do you expect to make more provisions in 2014?

A: Conditions on the ground have been very difficult. We continued to face challenges on the EPC contracts in Qatar and the UK, whose cost overruns were due mainly to the projects taking longer than expected to complete.

We are deeply disappointed at having to make additional provisions. We felt that these provisions were necessary and adequate based on our estimated costs to finish Doha North Sewage Treatment Works and Greater Manchester Energy-from-Waste Plant. However, we cannot be certain until the projects conclude. Moreover, the process of claims in Qatar for Doha North and the Domestic Solid Waste Management Centre are likely to be protracted.

In this final mile, our teams are working hard under challenging conditions to deliver the EPC projects with minimal losses to the Group. Phase 1 of the Greater Manchester Energy-from-Waste Plant is largely completed and is currently under commissioning. We expect Phase 2 to be substantially completed by end-2014. At Doha North, we are ready to take in sewage and will need to commission the plant before handing over. When completed, the Doha North and Greater Manchester plants will be quality infrastructure assets that our customers can be proud of.

Q: What are plans for the Infrastructure Division?

A: The performance of the Doha North and Greater Manchester EPC projects is not in keeping with the Group's enviable record for on-time, on-budget project execution. Lessons have been learnt. We will continue to build, own and operate infrastructure projects in areas where we have stronger technical knowledge and deeper understanding of the markets and key value chains.

Notwithstanding the losses sustained on the EPC projects, the Division's operating units have performed creditably in 2013. To sharpen focus and enhance resource efficiencies, we have restructured Keppel Energy and Keppel Integrated Engineering in May 2013 to become Keppel Infrastructure with Dr Ong Tiong Guan as its Chief Executive Officer. Since then, the new entity has been building up its strengths in the power and gas business, tightening operations of the Waste-to-Energy projects and growing its portfolio of related technology solutions.

Corporate integration and restructuring is an ongoing process. Keppel Infrastructure will concentrate on optimising its resources, strengthening its execution capabilities and re-focusing its key businesses to drive growth.

Meanwhile, our data centre and logistics businesses under Keppel Telecommunications & Transportation (Keppel T&T) are gaining traction. To tap the strong demand for data centre services, Keppel T&T has been actively growing its quality portfolio with added capacities in Singapore, Ireland and the Netherlands. It also intends to set up a data centre real estate investment trust to be listed on the Singapore Exchange.

Keppel T&T continues to leverage its extensive experience in supply chain management and industry know-how to offer quality third party logistics services in Asia-Pacific. Notably, its Chinese logistics and distribution hubs across Anhui, Jilin and Tianjin would be fully operational by 2015.

Q: What is the outlook for the Property business, and what are the plans to ensure continued profitability despite headwinds in the sector?

A: Our Property Division performed creditably in 2013, in spite of the policy headwinds. Looking ahead, cooling measures are likely to persist in China, while Singapore's residential market continues to slow down.

However, challenges will also bring opportunities to those who are prepared. At a time when many property developers were scaling back, Keppel Land continued to build up its portfolios in Singapore and China, investing more than S$1 billion in 2013. Capitalising on its strong balance sheet, our property arm was able to selectively acquire attractive residential sites in Singapore, Shanghai and Tianjin, as well as a stake in a retail mall in Shanghai.

We will further sharpen our focus on building strong platforms in our key markets of Singapore, China, Indonesia and Vietnam, while investing opportunistically in other promising markets, such as Myanmar and Sri Lanka, where the company has an early-mover's advantage. Apart from residential developments, we will also look at opportunities to grow our commercial portfolio overseas.

Our focus on selected countries in the region will help to reduce our risk exposure in any one market, while enabling us to scale up to compete effectively. In the process, we will also be very disciplined about reviewing our portfolio and seeking opportunities to recycle capital for higher returns.

Parallel to property development, our fund management businesses under Keppel REIT and Alpha Investment Partners form an integral part of our strategy to provide a source of stable, recurring income for the Group. We remain committed to grow our fund management units, which currently manage combined assets close to $18 billion. Further afield, we will also be looking at ways to better harness the synergies between our property development and fund management arms, exploring the potential to co-invest in interesting projects, a good example being Keppel Land China and Alpha's joint venture in a retail mall, Life Hub @ Jinqiao in Shanghai.

Q: Will Keppel's investment in KrisEnergy become a bigger part of the Group's businesses?

A: We believe that KrisEnergy is an investment with solid fundamentals. The company is run by a strong management team of industry veterans, and possesses an attractive portfolio comprising a good mix of both production and development assets.

Keppel's minority stake in KrisEnergy does not signal any intention to move into the upstream space. The stake is purely an investment on our part. There have, however, been some discussions between Keppel Offshore & Marine and KrisEnergy on developing potential solutions that could cater to the latter's needs but these are still preliminary.

Keppel Land will continue to leverage its early-mover's advantage in promising markets – Phase 2 of Saigon Centre (depicted here in an artist's impression) is presently being developed.

Board of Directors

LEE BOON YANG

LOH CHIN HUA

LEE BOON YANG, 66
CHAIRMAN
NON-EXECUTIVE AND
INDEPENDENT DIRECTOR

B.V.Sc Hon (2A),
University of Queensland, 1971

Date of first appointment as a director:
1 May 2009
Date of last re-election as a director:
20 April 2012
Length of service as a director
(as at 31 December 2013):
4 years 8 months

Board committee(s) served on:
Remuneration Committee (Member)
Nominating Committee (Member)
Board Safety Committee (Member)

Present directorships
(as at 1 January 2014):
Listed companies
Singapore Press Holdings Limited
(Chairman)

Other principal directorships
Keppel Care Foundation Limited
(Chairman); Singapore Press Holdings
Foundation Limited (Chairman);
Jilin Food Zone Pte Ltd (Chairman)

Major appointments
(other than directorships):
Nil

Past directorships held over
the preceding 5 years
(from 1 January 2009 to
31 December 2013):
Nil

Others:
Former Minister for Information,
Communications and the Arts
(May 2003 to Mar 2009);
Former Member of Parliament
(Dec 1984 to April 2011)

LOH CHIN HUA, 52
CHIEF EXECUTIVE OFFICER
EXECUTIVE DIRECTOR

Bachelor in Property Administration,
Auckland University; Presidential Key
Executive MBA, Pepperdine University;
Chartered Financial Analyst

Date of first appointment as a director:
1 January 2014
Date of last re-election as a director:
n.a.
Length of service as a director
(as at 31 December 2013):
n.a.

Board committee(s) served on:
Board Safety Committee (Member)#

Present directorships
(as at 1 January 2014):
Listed companies
Keppel Land Limited (Chairman);
Keppel Telecommunication &
Transportation Ltd;
Keppel REIT Management Limited
(Manager of Keppel REIT)*;
KrisEnergy Ltd

Other principal directorships
Keppel Offshore & Marine Ltd
(Chairman); Keppel Infrastructure
Holdings Pte Ltd (Chairman);
Alpha Investment Partners Limited
(Chairman)

Major appointments
(other than directorships):
Nil

Past directorships held over
the preceding 5 years
(from 1 January 2009 to
31 December 2013):
Keppel Energy Pte Ltd; Keppel
Land China Limited; Various fund
companies under management of
Alpha Investment Partners Limited

Others:
Nil

Mr Loh was appointed a member of the Board Safety Committee on 28 February 2014.

* Mr Loh ceased to be a director of Keppel REIT Management Limited (Manager of Keppel REIT) with effect from 10 January 2014.

Board of Directors

TONY CHEW LEONG-CHEE

OON KUM LOON (MRS)

TONY CHEW LEONG-CHEE, 67
NON-EXECUTIVE AND
INDEPENDENT DIRECTOR

Trained as agronomist at Ko Plantations Berhad and Serdang Agricultural College, Malaysia

Date of first appointment as a director:
16 April 2002
Date of last re-election as a director:
21 April 2011
Length of service as a director
(as at 31 December 2013):
11 years 9 months

Board committee(s) served on:
Nominating Committee (Chairman)
Audit Committee (Member)

Present directorships (as at 1 January 2014):
Listed companies
Nil

Other principal directorships
Air Alliance Pte Ltd; Alliance Asia Holdings Pte Ltd; Alliance Asia Investment Private Limited; ARC Investment Pte Ltd; Asia Resource Corporation Pte Ltd (Chairman); International Property Development J.S. Corporation (Vietnam); KFC Vietnam (Chairman); Macondray Holdings Pte Ltd (Chairman); Macondray Corporation Pte Ltd (Chairman); Macondray & Co. Inc (Chairman); Macondray Company Limited (Chairman); Myanmar Distillery Company Limited; Myanmar Supply Chain and Marketing Services Company Limited; Pontirep Investments Limited (Chairman); Representations International Pte Ltd (Chairman); Representations International (H.K.) Ltd (Chairman); Resource Pacific Holdings Pte Ltd (Chairman); SBF Holdings Pte Ltd (Chairman); SBF-PICO Events Pte Ltd; Tianjin Summer Palace Winery and Distillery Co. Ltd

Major appointments (other than directorships):
Singapore Business Federation (Chairman); Economic Research Institute for ASEAN and East Asia (Board Member); Chinese Development Assistance Council (Board of Trustee Member); Advisor to Singapore Institute of International Affairs

Past directorships held over the preceding 5 years (from 1 January 2009 to 31 December 2013):
Duke-NUS Graduate Medical School Singapore

Others:
Conferred National Day Meritorious Service Medal (2013); Public Service Star (2008); Public Service Medal (2001); NUS Outstanding Service Award (2011)

OON KUM LOON (MRS), 63
NON-EXECUTIVE AND
INDEPENDENT DIRECTOR

Bachelor of Business Administration (Honours), University of Singapore

Date of first appointment as a director:
15 May 2004
Date of last re-election as a director:
20 April 2012
Length of service as a director
(as at 31 December 2013):
9 years 8 months

Board committee(s) served on:
Board Risk Committee (Chairman)
Audit Committee (Member)
Remuneration Committee (Member)

Present directorships (as at 1 January 2014):
Listed companies
Keppel Land Limited

Other principal directorships
Singapore Power Limited;
SP PowerAssets Limited;
PowerGas Limited

Major appointments (other than directorships):
The Securities Industry Council (Member)

Past directorships held over the preceding 5 years (from 1 January 2009 to 31 December 2013):
PSA International Pte Ltd;
SP PowerGrid Ltd; China Resources Microelectronics Limited; Aviva Life Insurance Company Limited;
Aviva Ltd; Navigator Investment Services Ltd; Keppel Land China Limited; Aircraft Capital Trust Management Pte Ltd

Others:
Former Chief Financial Officer of DBS Group

TOW HENG TAN

ALVIN YEO KHIRN HAI

TOW HENG TAN, 58
NON-EXECUTIVE AND
NON-INDEPENDENT DIRECTOR

Fellow of the Association of Chartered Certified Accountants; Fellow of the Chartered Institute of Management Accountants

Date of first appointment as a director: 15 September 2004
Date of last re-election as a director: 21 April 2011
Length of service as a director (as at 31 December 2013): 9 years 4 months

Board committee(s) served on:
Nominating (Member)
Remuneration (Member)
Board Risk Committee (Member)

Present directorships (as at 1 January 2014):
Listed companies
ComfortDelGro Corporation Limited

Other principal directorships
Pavilion Capital Holdings Pte Ltd; Pavilion Capital International Pte Ltd; Fullerton Financial Holdings Pte Ltd; Avondale Properties Limited; Union Charm Development Limited; Germiston Developments Limited; Crown Pacific Development Limited; Surbana Corporation Pte Ltd; ST Asset Management Ltd

Major appointments (other than directorships):
Centre for Asset Management Research & Investment, NUS (Member); National Council of Social Services (Member of Investment Committee); SAFRA Board of Governors (Member)

Past directorships held over the preceding 5 years (from 1 January 2009 to 31 December 2013):
IE Singapore; Shangri-la Asia Limited

Others:
Former Chief Investment Officer of Temasek International (Private) Ltd; Former Senior Director of Business Development at DBS Vickers Securities (Singapore) Pte Ltd; Former Managing Director of Lum Chang Securities Pte Ltd

ALVIN YEO KHIRN HAI, 52
NON-EXECUTIVE AND
INDEPENDENT DIRECTOR

LLB Honours, King's College London, University of London; Gray's Inn (Barrister-at-Law); Senior Counsel

Date of first appointment as a director: 1 June 2009
Date of last re-election as a director: 19 April 2013
Length of service as a director (as at 31 December 2013): 4 years 7 months

Board committee(s) served on:
Audit (Member)
Board Risk Committee (Member)#
Nominating Committee (Member)*

Present directorships (as at 1 January 2014)
Listed companies
United Industrial Corporation Limited; Singapore Land Limited; Neptune Orient Lines Limited

Other principal directorships
Tuas Power Ltd; Thomson Medical Centre Ltd

Major appointments (other than directorships):
Monetary Authority of Singapore advisory panel to advise the Minister on appeals under various financial services legislation (Member); The Court of the SIAC (Member); The ICC commission on Arbitration (Member); The Court of the LCIA (Member); Fellow of the Singapore Institute of Arbitrators; Member of Parliament

Past directorships held over the preceding 5 years (from 1 January 2009 to 31 December 2013):
Asian Civilisations Museum; Clifford Chance Wong Pte Ltd

Others:
Past member of the Senate of the Academy of Law; Past member of the Council of the Law Society; Past member of the board of the Civil Service College

Mr Yeo ceased to be a member of the Board Risk Committee on 23 January 2014.

* Mr Yeo was appointed a member of the Nominating Committee on 23 January 2014.

TAN EK KIA

DANNY TEOH

TAN EK KIA, 65
NON-EXECUTIVE AND
INDEPENDENT DIRECTOR

BSc Mechanical Engineering (First Class Honours), Nottingham University, United Kingdom; Management Development Programme, International Institute for Management Development, Lausanne, Switzerland; Fellow of the Institute of Engineers, Malaysia; Professional Engineer, Board of Engineers, Malaysia; Chartered Engineer of Engineering Council, United Kingdom; Member of Institute of Mechanical Engineer, United Kingdom

Date of first appointment as a director:
1 October 2010
Date of last re-election as a director:
19 April 2013
Length of service as a director
(as at 31 December 2013):
3 years 3 months

Board committee(s) served on:
Board Safety Committee (Chairman)
Nominating Committee (Member)
Board Risk Committee (Member)*

Present directorships (as at 1 January 2014):
Listed companies
SMRT Corporation Ltd; KrisEnergy Ltd; PT Chandra Asri Petrochemical Tbk; Transocean Ltd

Other principal directorships
Keppel Offshore & Marine Ltd;
Star Energy Group Holdings Pte Ltd (Chairman)

Major appointments (other than directorships):
Nil

Past directorships held over the preceding 5 years (from 1 January 2009 to 31 December 2013):
Orchard Energy Pte Ltd;
Power Seraya Ltd

Others:
Former Vice President (Ventures and Developments) of Shell Chemicals, Asia Pacific and Middle East region (based in Singapore); Former Chairman, Shell companies in North East Asia; Former Managing Director, Shell Malaysia Exploration and Production

* Mr Tan Ek Kia was appointed a member of the Board Risk Committee on 23 January 2014.

DANNY TEOH, 59
NON-EXECUTIVE AND
INDEPENDENT DIRECTOR

Member of the Institute of Chartered Accountants in England & Wales

Date of first appointment as a director:
1 October 2010
Date of last re-election as a director:
21 April 2011
Length of service as a director
(as at 31 December 2013):
3 years 3 months

Board committee(s) served on:
Audit Committee (Chairman)
Remuneration Committee (Chairman)
Board Risk Committee (Member)

Present directorships (as at 1 January 2014):
Listed companies
DBS Bank Ltd; DBS Group Holdings Ltd; CapitaMall Trust Management Limited (Manager of CapitaMall Trust)

Other principal directorships
Changi Airport Group (Singapore) Pte Ltd; JTC Corporation;
DBS Bank (China) Limited

Major appointments (other than directorships):
Singapore Olympic Foundation

Past directorships held over the preceding 5 years (from 1 January 2009 to 31 December 2013):
KPMG Advisory Services Pte Ltd;
KPMG Corporate Finance Pte Ltd;
KPMG Services Pte Ltd; SIFE Singapore;
Viva Foundation For Children With Cancer; Singapore Dance Theatre Limited

Others:
Former Managing Partner, KPMG LLP, Singapore; Past member of KPMG's International Board and Council; Former Head of Audit and Risk Advisory Services and Head of Financial Services

TAN PUAY CHIANG

TEO SOON HOE

TAN PUAY CHIANG, 66
NON-EXECUTIVE AND
INDEPENDENT DIRECTOR

MBA (Distinction), New York University; Bachelor of Science (First Class Honours), University of Singapore

Date of first appointment as a director:
20 June 2012
Date of last re-election as a director:
19 April 2013
Length of service as a director
(as at 31 December 2013):
1 year 7 months

Board committee(s) served on:
Board Safety Committee (Member)
Board Risk Committee (Member)

Present directorships
(as at 1 January 2014):
Listed companies
Neptune Orient Lines Limited

Other principal directorships
Singapore Power Limited;
SP Services Limited

Major appointments
(other than directorships):
Energy Studies Institute,
National University of Singapore

Past directorships held over the preceding 5 years (from 1 January 2009 to 31 December 2013):
Nil

Others:
Former Chairman, ExxonMobil (China) Investment Co. (2001 to 2007)

TEO SOON HOE, 64
SENIOR EXECUTIVE DIRECTOR

Bachelor of Business Administration, University of Singapore; Member of the Wharton Society of Fellows, University of Pennsylvania

Date of first appointment as a director:
1 June 1985
Date of last re-election as a director:
21 April 2011
Length of service as a director
(as at 31 December 2013):
28 years 7 months

Board committee(s) served on:
Nil

Present directorships
(as at 1 January 2014):
Listed companies
Keppel Telecommunications & Transportation Ltd (Chairman);
M1 Limited (Chairman);
Keppel Philippines Holding Inc (Chairman); Keppel Infrastructure Fund Management Pte Ltd (Trustee-Manager of K-Green Trust);
k1 Ventures Limited

Other principal directorships
Keppel Offshore & Marine Ltd;
Keppel Infrastructure Holdings Pte Ltd;
Singapore Tianjin Eco-City Investment Holdings Pte Ltd

Major appointments
(other than directorships):
Nil

Past directorships held over the preceding 5 years (from 1 January 2009 to 31 December 2013):
Singapore Petroleum Company Limited; Travelmore Pte Ltd; Keppel Land Limited; Keppel Energy Pte Ltd; Keppel Land China Limited

Others:
Former Group Finance Director of Keppel Corporation Limited

Keppel Group Boards of Directors

KEPPEL OFFSHORE & MARINE

LOH CHIN HUA
CHAIRMAN
Chief Executive Officer,
Keppel Corporation

CHOW YEW YUEN
Chief Executive Officer

STEPHEN PAN YUE KUO
Chairman,
World-Wide Shipping Agency Limited

PROF MINOO HOMI PATEL
Professor of Mechanical Engineering and Director of Development,
School of Engineering,
Cranfield University, UK

DR MALCOLM SHARPLES
President,
Offshore Risk & Technology Consulting Inc, USA

PO'AD BIN SHAIK ABU BAKAR MATTAR
Independent Director,
Hong Leong Finance Limited and Tiger Airways Holdings Limited

TAN EK KIA
Chairman,
City Gas Pte Ltd

LIM CHIN LEONG
Former Chairman,
Asia, Schlumberger

ROBERT D. SOMERVILLE
Director,
GasLog Ltd

TEO SOON HOE
Senior Executive Director,
Keppel Corporation

SIT PENG SANG
Director

KEPPEL INFRASTRUCTURE HOLDINGS

LOH CHIN HUA
CHAIRMAN
Chief Executive Officer,
Keppel Corporation

DR ONG TIONG GUAN,
Chief Executive Officer

TEO SOON HOE
Senior Executive Director,
Keppel Corporation

CHOW YEW YUEN
Chief Executive Officer,
Keppel Offshore & Marine

CHAN HON CHEW
Chief Financial Officer,
Keppel Corporation

CHEE JIN KIONG
Director,
Group Human Resources,
Keppel Corporation

ONG YE KUNG
Director,
Group Strategy & Development,
Keppel Corporation

KOH BAN HENG
Senior Advisor,
Singapore Petroleum Company Limited (a member of PetroChina)

KHOO CHIN HEAN
Director

KEPPEL INFRASTRUCTURE FUND MANAGEMENT (TRUSTEE-MANAGER OF K-GREEN TRUST)

KHOR POH HWA
CHAIRMAN
Advisor (Township and Infrastructure Development),
Keppel Corporation

ALAN OW SOON SIAN
Independent Director

PAUL MA KAH WOH
Independent Director

QUEK SOO HOON
Operating Partner,
iGlobe Partners (II) Pte Ltd

THIO SHEN YI
Joint Managing Director,
TSMP Law Corporation

TEO SOON HOE
Senior Executive Director,
Keppel Corporation

TAN BOON LENG
Executive Director, X-to-Energy,
Keppel Infrastructure Holdings

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION

TEO SOON HOE
CHAIRMAN
Senior Executive Director,
Keppel Corporation

DR TAN TIN WEE
Associate Professor of Biochemistry,
National University of Singapore

PROF BERNARD TAN TIONG GIE
Professor of Physics,
National University of Singapore

WEE SIN THO
Senior Advisor,
Office of the President,
National University of Singapore

TAN BOON HUAT
Independent Director

PROF NEO BOON SIONG
Professor (Division of Strategy, Management and Organisation)
Nanyang Business School,
Nanyang Technological University

KARMJIT SINGH
Independent Director

LOH CHIN HUA
Chief Executive Officer,
Keppel Corporation

MICHAEL CHIA HOCK CHYE
Managing Director
(Marine & Technology),
Keppel Offshore & Marine Ltd;
Managing Director,
Keppel Offshore & Marine Technology Centre (KOMTech)

KEPPEL LAND

LOH CHIN HUA
CHAIRMAN
Chief Executive Officer
Keppel Corporation

ANG WEE GEE
Chief Executive Officer,
Executive Director

LIM HO KEE
Chairman,
Singapore Post

PROF TSUI KAI CHONG
Provost and Professor of Finance,
SIM University

LEE AI MING (MRS)
Senior Partner,
Rodyk & Davidson LLP

TAN YAM PIN
Former Managing Director,
Fraser and Neave Group

HENG CHIANG MENG
Former Managing Director,
First Capital Corporation;
Executive Director,
Far East Organisation Group

EDWARD LEE
Singapore's former Ambassador
to Indonesia

KOH-LIM WEN GIN
Former Chief Planner and
Deputy Chief Executive Officer,
URA

OON KUM LOON (MRS)
Non-Executive,
Non-Independent Director

YAP CHEE MENG
Former Senior Partner,
KPMG Singapore and
Chief Operating Officer of
Asia Pacific, KPMG International

PROF HUANG JING
Professor and Director,
Centre on Asia and Globalisation,
Lee Kuan Yew School of Public Policy,
National University of Singapore

KEPPEL REIT MANAGEMENT (MANAGER OF KEPPEL REIT)

DR CHIN WEI-LI, AUDREY MARIE
CHAIRMAN
Executive Chairman,
Vietnam Investing Associates –
Financials Singapore Private Limited

NG HSUEH LING
Chief Executive Officer

TAN CHIN HWEE
Partner,
Apollo Global Management

LEE CHIANG HUAT
Executive Director,
Icurrencies Pte Ltd

DANIEL CHAN CHOONG SENG
Managing Director,
DCG Capital Pte Ltd

LOR BAK LIANG
Director,
Werone Connect Pte Ltd

ANG WEE GEE
Chief Executive Officer,
Executive Director,
Keppel Land

PROF TAN CHENG HAN
Professor of Law,
National University of Singapore

LIM KEI HIN
Chief Financial Officer,
Keppel Land

K1 VENTURES

STEVEN JAY GREEN
CHAIRMAN/
CHIEF EXECUTIVE OFFICER
Former US Ambassador to Singapore

DR LEE SUAN YEW
Medical Practitioner and
Past President,
Singapore Medical Council

TEO SOON HOE
Senior Executive Director,
Keppel Corporation

ALEXANDAR VAHABZADEH
Founder and Managing Director of
the Beaumont Group of companies

PROF NEO BOON SIONG
Professor (Division of Strategy,
Management and Organisation)
Nanyang Business School,
Nanyang Technological University

PROF ANNIE KOH
Vice President, Business Development
and External Relations,
Singapore Management University

Keppel Technology Advisory Panel

The Keppel Technology Advisory Panel (KTAP) was established in 2004 as a key platform to advance the Group's technology leadership. Its members include eminent business leaders and industry experts from across the world.

Over the years, KTAP members have contributed to a broad range of ideas and developments in Keppel. The areas include drilling and production technology, offshore wind, coal gasification, Waste-to-Energy, as well as potentially disruptive technologies. More recently, KTAP has been exploring emission control areas, the collection of deepsea polymetallic nodules, as well as future platforms to deepen innovation and Research & Development in the Group.

KTAP convenes up to twice a year with key members of Keppel Corporation's board and senior management. Distinguished guest speakers are often invited to these meetings to share the latest developments in their respective fields. Apart from meetings, frequent discussions are co-ordinated by the Secretariat via email on topical issues such as nuclear energy and subsea-related developments.

SVEN BANG ULLRING
CHAIRMAN
Master of Science, Swiss Federal Institute of Technology (ETH), Zurich

Mr Ullring was Chairman of the Executive Board of Det Norske Veritas, Oslo from 1985-2000 and President and CEO of NORCONSULT, Oslo from 1981-1985. He worked for SKANSKA, Malmo, Sweden from 1962-1981 and was Director of the International Department from 1972. He was an Independent Director on Keppel Corporation's Board from 2000 to April 2012.

He is the Chairman of the Board of The Fridtjof Nansen Institute, Oslo, Norway. He was the Chairman of the Maritime and Port Authority of Singapore's First, Second and Third Maritime and Research and Development Advisory Panel. He is a fellow and Honorary fellow of the Norwegian Academy of Technological Sciences, and a fellow of the Royal Swedish Academy of Engineering Sciences.

DR BRIAN CLARK
Schlumberger Fellow; B.S. Ohio State University; PhD, Harvard University (1977)

Dr Clark holds 87 patents related to the exploration and development of oil and gas, primarily in wire line logging and logging while drilling. He was recognised as the Outstanding Inventor of the Year for 2002, by the Houston Intellectual Property Law Association and as the Texas Inventor of the Year for 2002, by the Texas State Bar Association. Dr Clark is also a member of the National Academy of Engineering and The Academy of Medicine, Engineering and Science of Texas.

PROFESSOR MINOO HOMI PATEL
Fellow of the Royal Academy of Engineering, the Institution of Mechanical Engineers and the Royal Institution of Naval Architects; Chartered Engineer; BSc (Eng) and PhD, University of London and an Honorary Member of the Royal Corps of Naval Constructors

Professor Patel is a Director of Development for the School of Engineering at Cranfield University and a Founder Director of the science park company BPP Technical Services Ltd. He also sits on the Boards of Keppel Offshore & Marine (Keppel O&M) and BMT Group Ltd.

DR MALCOLM SHARPLES
President, Offshore Risk & Technology Consulting Engineering Inc.; BESc. (Engineering Science), University of Western Ontario; PhD University of Cambridge; Athlone Fellow; Fellow of the Society of Naval Architects and Marine Engineers; Registered Professional Engineer

Dr Sharples is a Director of the Offshore Energy Centre, a non-profit educational institution and museum. Previously, he was VP of American Bureau of Shipping, and President of Noble Denton, an insurance warranty survey firm. He consults worldwide on offshore structures/vessels for regulatory compliance, safety audits, safety cases, and has been involved in accident investigations as an expert witness for legal proceedings. He is an active member of the Canadian Standards Association on arctic structures, offshore structures and offshore wind farms, and a Director of Keppel O&M.

PROFESSOR THOMAS (TOM) CURTIS
BSc (Hons) Microbiology, University of Leeds; M.Eng and PhD Civil Engineering, University of Leeds

Professor Curtis is a professor of Environmental Engineering of the University of Newcastle upon Tyne, and a recipient of the Royal Academy of Engineering Global Research Fellowship, the Biotechnology and Biological Sciences Research Council Research Development Fellowship. Before entering academia, he worked in construction and public health policy and has worked in the US, Brazil, Bangladesh and Jordan.

PROFESSOR JIM SWITHENBANK
BSc, PhD, DSc, DEng, FREng, FInstE, FIChemE, Energy and Environmental Engineering Group

Professor Swithenbank is a fellow of the Royal Academy of Engineering, Chairman of The Sheffield University Waste Incineration Centre (SUWIC), and member of numerous International Combustion and Energy Committees. He was the President of the Institute of Energy (1986 – 1987) and served on many UK government/DTI/EPSRC Committees. He is a prolific researcher credited with over 400 refereed papers and over 30 patents.

PROFESSOR NG WUN JERN
BSc (CE) QMC London University, MSc (Water Resources) and PhD University of Birmingham, PE(S), FIES, FSEng

Professor Ng is the Executive Director at the Nanyang Environment & Water Research Institute, Professor of Environmental Engineering in the School of Civil & Environmental Engineering, and Dean of College of Engineering at Nanyang Technological University. He has some 400 publications on water and wastewater management, and serves as technical advisor to various environmental companies across ASEAN, China, and India.

(From left) First row: Dr Brian Clark, Professor Jim Swithenbank, Choo Chiau Beng (Senior Advisor of Keppel Corporation), Sven Bang Ullring, Dr Lee Boon Yang (Chairman of Keppel Corporation), Professor Sir Eric Ash (Retired 31 December 2013), Professor Minoo Homi Patel. Second row: Chow Yew Yuen (CEO of Keppel Offshore & Marine), Professor Kazuo Nishimoto, Loh Chin Hua (CEO of Keppel Corporation), Dr Malcolm Sharples, Professor Tom Curtis, Professor Ng Wun Jern. Not in photo – Professor Stefan Thomke, Professor Saif Benjaafar and Professor Chan Eng Soon.

PROFESSOR STEFAN THOMKE
BS (Electrical Engineering), University of Oklahoma; MS (Electrical & Computer Engineering), Arizona State University; SM (Operations Research), SM (Mgmt.), PhD (Electrical Engineering & Mgmt.), Massachusetts Institute of Technology; AM (Honorary), Harvard University

Professor Thomke has published widely and is an authority on innovation management. He is the William Barclay Harding Professor of Business Administration at Harvard Business School and chairs several of the university's leading executive education programmes. Prior to joining Harvard, he was with McKinsey & Company in Germany.

PROFESSOR KAZUO NISHIMOTO
B.S.E. Naval Architect and Marine Engineer, University of São Paulo; M.S. Eng, Yokohama National University, Japan, and PhD Naval Architecture & Ocean Engineering, University of Tokyo, Japan

Professor Nishimoto is currently a Full Professor of the University of São Paulo, heading its Polytechnic School's Naval Architecture & Ocean Engineering department and serving as Director of the Numerical Offshore Tank Centre. He has coordinated several naval and ocean engineering development projects, and is working on advanced methods to analyse moored floating systems.

PROFESSOR SAIF BENJAAFAR
(APPOINTED 1 JANUARY 2014)
M.S. and PhD (Industrial Engineering), Purdue University and BS (Electrical Engineering), University of Texas at Austin

Professor Benjaafar is internationally acclaimed for his research on the design and management of complex global supply chains. He holds the title of Distinguished McKnight University Professor at the University of Minnesota and is a Founding Director of its Industrial and Systems Engineering Department, Director of the Centre for Supply Chain Research, and Faculty Scholar with the Centre for Transportation Studies.

He is also a founding faculty member of the Singapore University of Technology and Design (SUTD) where he serves as Head of Pillar and Professor for Engineering Systems and Design, and leads the Sustainable Built Environment Thrust for the MIT-SUTD International Design Centre. He was a Distinguished Senior Visiting Scientist at Honeywell Laboratories and a Visiting Professor to several universities in Europe and Asia.

PROFESSOR CHAN ENG SOON
(APPOINTED 1 JANUARY 2014)
B.Eng (First-class Honours) & M.Eng, National University of Singapore (NUS), and PhD, MIT

Professor Chan is a Fellow of the Singapore Academy of Engineering and Member IES. He is Dean of Engineering, NUS, and Keppel Chair Professor. He headed the then Civil Engineering Department and served as Executive Director of the Centre for Offshore Research and Engineering and Director of Tropical Marine Science Institute.

He serves on management boards of various institutions and research centres, and contributes as a member of the Singapore Workplace Safety and Health Council, and board governor of Republic Polytechnic. His research interests include marine hydrodynamics, wave-structure interactions, sediment transport and coastal processes.

Senior Management

KEPPEL CORPORATION

LOH CHIN HUA
CHIEF EXECUTIVE OFFICER

TEO SOON HOE
SENIOR EXECUTIVE DIRECTOR

CHAN HON CHEW
CHIEF FINANCIAL OFFICER

CORPORATE SERVICES

CHEE JIN KIONG
DIRECTOR
GROUP HUMAN RESOURCES

WANG LOOK FUNG
DIRECTOR
GROUP CORPORATE AFFAIRS

PAUL TAN
GROUP CONTROLLER

ONG YE KUNG
DIRECTOR
GROUP STRATEGY & DEVELOPMENT

LYNN KOH
GENERAL MANAGER
GROUP TREASURY

LAI CHING CHUAN
GENERAL MANAGER
CORPORATE DEVELOPMENT/PLANNING

MAGDELINE WONG
GENERAL MANAGER
GROUP TAX

TINA CHIN
GENERAL MANAGER
GROUP RISK MANAGEMENT

CAROLINE CHANG
GENERAL MANAGER
GROUP LEGAL

TAN ENG HWA
GENERAL MANAGER
GROUP INTERNAL AUDIT

JACOB TONG
GENERAL MANAGER
GROUP INFORMATION SYSTEMS

GOH TOH SIM
CHIEF REPRESENTATIVE (CHINA)

OFFSHORE & MARINE

CHOW YEW YUEN
CHIEF EXECUTIVE OFFICER
Keppel Offshore & Marine

WONG NGIAM JIH
CHIEF FINANCIAL OFFICER
Keppel Offshore & Marine

CHEE JIN KIONG
EXECUTIVE DIRECTOR
(HUMAN RESOURCES)
Keppel Offshore & Marine

MICHAEL CHIA HOCK CHYE
MANAGING DIRECTOR
(MARINE & TECHNOLOGY)
Keppel Offshore & Marine
MANAGING DIRECTOR
Keppel Offshore & Marine Technology Centre (KOMtech)

WONG KOK SENG
MANAGING DIRECTOR (OFFSHORE)
Keppel Offshore & Marine
MANAGING DIRECTOR
Keppel FELS

CHOR HOW JAT
MANAGING DIRECTOR
Keppel Shipyard

HOE ENG HOCK
MANAGING DIRECTOR
Keppel Singmarine

DR FOO KOK SENG
EXECUTIVE DIRECTOR
(SHALLOW WATER TECHNOLOGY)
KOMtech
EXECUTIVE DIRECTOR
Offshore Technology Development

AZIZ AMIRALI MERCHANT
EXECUTIVE DIRECTOR (ENGINEERING)
Keppel FELS
EXECUTIVE DIRECTOR
(DEEPWATER TECHNOLOGY)
KOMtech
EXECUTIVE DIRECTOR
Deepwater Technology Group

WONG FOOK SENG
EXECUTIVE DIRECTOR
(PROCESS EXCELLENCE & PLANNING)
Keppel FELS

TOH KO LIN
EXECUTIVE DIRECTOR
Keppel Singmarine

ONG LENG YEOW
ACTING EXECUTIVE DIRECTOR
(OPERATIONS)
Keppel FELS

CHARLES FOO CHEE LEE
DIRECTOR/ADVISOR
KOMtech

INFRASTRUCTURE

DR ONG TIONG GUAN
CHIEF EXECUTIVE OFFICER
Keppel Infrastructure

BG (NS) TAY LIM HENG
MANAGING DIRECTOR
(WASTE-TO-ENERGY)
Keppel Infrastructure

NICHOLAS LAI GARCHUN
EXECUTIVE DIRECTOR
(GAS-TO-POWER)
Keppel Infrastructure

TAN BOON LENG
EXECUTIVE DIRECTOR
(X-TO-ENERGY)
Keppel Infrastructure

ALAN TAY TECK LOON
DIRECTOR, BUSINESS DEVELOPMENT
Keppel Infrastructure

CINDY LIM JOO LING
GENERAL MANAGER
(INFRASTRUCTURE SERVICES)
GENERAL MANAGER (BUSINESS
PROCESS MANAGEMENT)
Keppel Infrastructure

BG (RET) PANG HEE HON
CHIEF EXECUTIVE OFFICER
Keppel Telecommunications
& Transportation

THOMAS PANG THIENG HWI
CHIEF EXECUTIVE OFFICER
Keppel Infrastructure Fund
Management (Trustee-Manager
of K-Green Trust)

PROPERTY

ANG WEE GEE
CHIEF EXECUTIVE OFFICER
Keppel Land

CHOO CHIN TECK
COMPANY SECRETARY
Keppel Land
DIRECTOR (CORPORATE SERVICES)
Keppel Land International

LIM KEI HIN
CHIEF FINANCIAL OFFICER
Keppel Land International

TAN SWEE YIOW
PRESIDENT (SINGAPORE)
Keppel Land International

HO CHEOK KONG
PRESIDENT
Keppel Land China

LINSON LIM SOON KOOI
PRESIDENT (VIETNAM &
THE PHILIPPINES)
Keppel Land International

SAM MOON THONG
PRESIDENT (INDONESIA)
Keppel Land International

NG OOI HOOI
PRESIDENT
(REGIONAL INVESTMENTS)
Keppel Land International

NG HSUEH LING
CHIEF EXECUTIVE OFFICER
Keppel REIT Management

CHRISTINA TAN HUA MUI
MANAGING DIRECTOR
Alpha Investment Partners

UNIONS

KEPPEL FELS EMPLOYEES' UNION
VINCENT HO MUN CHOONG
PRESIDENT

ATYYAH HASSAN
GENERAL SECRETARY

DAVID LIM KIN WAI
EXECUTIVE SECRETARY

KEPPEL EMPLOYEES UNION
RAZALI BIN MAULOD
PRESIDENT

MOHD YUSOF BIN MOHD
GENERAL SECRETARY

SHIPBUILDING & MARINE ENGINEERING EMPLOYEES' UNION
TOMMY GOH HOCK WAH
PRESIDENT

EILEEN YEO CHOR GEK
GENERAL SECRETARY

MAH CHEONG FATT
EXECUTIVE SECRETARY

SINGAPORE INDUSTRIAL & SERVICES EMPLOYEES' UNION
TAN PENG HENG
PRESIDENT

LIM KUANG BENG
GENERAL SECRETARY

SYLVIA CHOO
EXECUTIVE SECRETARY

UNION OF POWER & GAS EMPLOYEES
TAY SENG CHYE
PRESIDENT

S. THIAGARAJAN
EXECUTIVE SECRETARY

NACHIAPPAN RKS
GENERAL SECRETARY

Investor Relations

Total Shareholder Return (TSR)

9%

This is above STI's benchmark TSR of 3% in 2013.

10-year TSR Growth

21%
(Compounded)

This is significantly higher than STI's compounded annual TSR growth rate of 8%.

1. Institutional investors visit Keppel's yards to better understand our operations.

Amidst volatility and uncertainty, investor relations play a critical role to provide our shareholders with a timely, accurate and fair account of the Group's performance.

Guided by clearly defined principles and practices in our Investor Relations Policy, Keppel's dedicated investor relations team supports the management to proactively build and strengthen long-term relationships with the investing public through multiple platforms.

ENGAGING INVESTORS

In 2013, Keppel Corporation held about 230 investor meetings and conference calls for institutional investors. The top management also went on non-deal roadshows to Australia, Japan, Hong Kong and the US.

At these meetings, the senior management team meets and briefs investors, keeping them abreast of the Company's strategic directions and business developments. Such proactive outreach deepens relationships with long-term shareholders and cultivates new ones.

During the year, the Company created opportunities to acquaint investors with its key businesses by organising site visits to major operation centres in Singapore and overseas.

In particular, the investing community demonstrated keen interest in Keppel's offshore division which delivered a record 22 rigs in 2013. In response to this, several yard tours and dialogue sessions were organised for institutional investors attending major conferences in Singapore. Fund managers and analysts attended rig naming ceremonies and through the yard visits better appreciated the operations of Keppel's yards.

Several visits were organised to the BrasFELS shipyard in Brazil and Keppel Telecommunications & Transportation's (Keppel T&T) logistics facilities in Singapore and China as well.

Keppel also participated in the annual Oil & Offshore Conference organised by Pareto Securities in Norway where management strengthened ties with investors and industry stakeholders.

ENHANCING COMMUNICATION

To reach out more effectively to our stakeholders worldwide, the Company held 'live' webcasts of its quarterly results briefings. The webcasts allowed the global investing community to view the presentations and engage with the management in real time.

Market-sensitive news is always promptly posted on Keppel Corporation's website, www.kepcorp.com, at the start or end of each market day, as well as on the Singapore Exchange website. This ensures that important company information is promptly disseminated and made easily accessible to shareholders.

A mobile version of the corporate website has been launched to step up communications with the prolific use of mobile phones. Tailored for easy navigation on-the-go, the mobile website aims to enhance the Company's outreach and users' experience.

With the increasing focus on environmental, social and governance issues, Keppel Corporation seeks to provide stakeholders insights into the Company's sustainability efforts through a sustainability report produced in compliance with the Global Reporting Initiative G3.1 Guidelines.

The Company also actively solicits investors' feedback and closely monitors analyst and media reports to continuously improve on its investor relations efforts. Contact details of the Company's investor relations personnel are placed on the corporate website for shareholders to make enquiries or provide feedback. Any significant concerns or constructive suggestions will be communicated to the management.

DELIVERING VALUE

Keppel Corporation stood by its commitment to reward shareholders fairly in a year of intense competition and policy headwinds in 2013.

Keppel Corporation's share price gained 5% over the year to close at $11.19 at the end of 2013, outperforming STI's decline of about 1% in the same period.

The Company has proposed a total dividend distribution of 49.5 cents per share for 2013. This includes a proposed final cash dividend of 30.0 cents per share, in addition to an interim cash dividend of 10.0 cents per share and dividend *in specie* of Keppel REIT units equivalent to 9.5 cents per share paid out in 3Q 2013. The proposed cash payout for 2013 represents 51% of the Group's net profit for the year.

SIGNIFICANT EVENTS

March

- Keppel Corporation issued US$200 million floating rate notes due in 2020, under the US$2 billion Euro Medium Term Note Programme established in January 2013.

April

- Ocean Mineral Singapore was formed to explore the ocean's seabed for polymetallic nodules. The company has since applied to the International Seabed Authority for its first seabed exploration license.

July

- Keppel Corporation announced that CEO Mr Choo Chiau Beng would be succeeded by CFO Mr Loh Chin Hua on 1 January 2014.
- Keppel Corporation raised its stake in KrisEnergy from 15.3% to 31.4%.

August

- To commemorate its 45th anniversary, Keppel Corporation committed $12 million to National Art Gallery's Centre for Art Education to benefit children and youths.

November

- Keppel Corporation announced the appointment of Mr Chan Hon Chew to succeed Mr Loh Chin Hua as CFO with effect from 1 February 2014.
- Keppel Corporation contributed $360,000 to relaunch Keppel Nights in partnership with Esplanade – Theatres on the Bay to cultivate lifelong arts engagement among youths in heartland schools.

December

- Keppel Corporation announced the appointment of Mr Loh Chin Hua, CFO and CEO-designate as an executive director of its Board, with effect from 1 January 2014. Mr Loh was also appointed as Chairman to Keppel Land's Board with effect from 1 January 2014, and as non-independent and non-executive director to Keppel T&T's Board with effect from 1 December 2013.

INVESTOR RELATIONS CALENDAR

In addition to meetings and conference calls with local and overseas institutional investors, the following events were organised in 2013 to engage the investing community:

1Q 2013

- Held FY 2012 results press and analysts' conference and a 'live' webcast.
- Went on non-deal roadshows to Hong Kong and Australia with CIMB and Credit Suisse respectively.
- Hosted a group visit to Keppel FELS and Keppel Shipyard with Credit Suisse.
- Hosted a site visit to BrasFELS shipyard in Brazil with Morgan Stanley.

2Q 2013

- Held 1Q 2013 results briefing via a 'live' webcast.
- Convened Annual General Meeting.
- Convened Extraordinary General Meeting (EGM) on the proposed distribution of dividend *in specie* of Keppel REIT units.
- Went on non-deal roadshows to the US with Citigroup and to Hong Kong and Japan with Daiwa.
- Hosted analysts at naming ceremonies in Keppel FELS.
- Hosted group visits to Keppel FELS' shipyard for Deutsche Bank, Nomura, AmInvestment and Temasek.

3Q 2013

- Held 2Q & 1H 2013 results press and analysts' conference and a 'live' webcast.
- Convened EGM on the proposed distribution of dividend *in specie* of Keppel REIT units.
- Went on a non-deal roadshow to the US with JP Morgan.
- Participated in Pareto Securities' 20th annual Oil & Offshore Conference in Norway.
- Hosted analysts and fund managers at a naming ceremony in Keppel FELS.
- Hosted a group of global investors at BrasFELS shipyard with UBS.
- Hosted visits for investors and analysts to the Group's logistics facilities and Waste-to-Energy plant.

4Q 2013

- Held 3Q & 9M 2013 results briefing via a 'live' webcast.
- Hosted analysts at a naming ceremony for the 21st rig delivered by Keppel FELS in 2013.
- Hosted a group investor visit to Keppel FELS shipyard with Morgan Stanley.
- Hosted an investor visit to the Group's logistics facilities in Foshan, China.

Awards & Accolades

CORPORATE GOVERNANCE & TRANSPARENCY

SINGAPORE CORPORATE AWARDS
- KEPPEL CORPORATION
  - Bronze, Best Managed Board
  - Silver, Best Annual Report (Market capitalisation of $1 billion and above)
- KEPPEL TELECOMMUNICATIONS & TRANSPORTATION (KEPPEL T&T)
  - Gold, Best Annual Report
  - Silver, Best Investor Relations (Market capitalisation of $300 million to below $1 billion)
- KEPPEL REIT
  - Gold, Best Annual Report (REITs & Business Trusts)

SECURITIES INVESTORS ASSOCIATION OF SINGAPORE (SIAS) INVESTORS' CHOICE AWARDS
- KEPPEL CORPORATION
  - First Runner-Up, Singapore Corporate Governance Award (Big Cap)
- KEPPEL T&T
  - Winner, Singapore Corporate Governance Award (Mid Cap)
- K-GREEN TRUST
  - Merit, Singapore Corporate Governance Award (REITs/Business Trust)
- KEPPEL LAND
  - Merit, Singapore Corporate Governance Award (Big Cap)
  - Runner-up, Most Transparent Company (Property)

INSTITUTIONAL INVESTOR MAGAZINE'S ALL-ASIA EXECUTIVE TEAM RANKING
- KEPPEL CORPORATION
  - Asia's Best Investor Relations (Conglomerates) as voted by Sell-side: Second position
  - Asia's Best CEO (Conglomerates) as voted by Buy & Sell-sides
  - Asia's Best CFO (Conglomerates) as voted by Sell-side
  - Asia's Most Honoured Company: 20th of 181 Asian companies
  - Best Singapore Company

ALPHA SOUTHEAST ASIA INSTITUTIONAL INVESTOR CORPORATE AWARDS
- KEPPEL CORPORATION
  - Best Annual Report in Singapore
  - Top three companies with the strongest adherence to corporate governance in Singapore
  - Top six most preferred companies by institutional investors

Keppel's companies were recognised at the SIAS Investors' Choice Awards 2013 for best practices in corporate governance and transparency.

GOVERNANCE AND TRANSPARENCY INDEX (GTI)
- Keppel Corporation (3rd), Keppel Land (5th) and Keppel T&T (15th) have been ranked among GTI's Top 20 for the fifth consecutive year.

BUSINESS EXCELLENCE

- Keppel Offshore & Marine (Keppel O&M) was conferred the Singapore 1000 Sales/Turnover Excellence Award at the Singapore 1000 & Singapore SME 1000 Awards.
- Keppel Offshore & Marine Technology Centre's E-Semi project received the Outstanding Maritime Research & Development and Technology Award at the Singapore International Maritime Awards.
- Keppel FELS' DSS™ 20NS accommodation semisubmersible design was conferred the Institution of Engineers Singapore Prestigious Engineering Achievement Award.
- Keppel FELS Brasil's BrasFELS shipyard received the PNQS Award for excellence in quality and sustainability from Brazil's National Union of Naval Construction, Repair and Offshore Industry and the ARO Foundation.
- Nakilat-Keppel O&M won the Shiprepair/Shipyard Award for the second year running at the Seatrade Middle East & Indian Subcontinent Awards.
- Keppel Land received the following accolades at the Euromoney Real Estate Awards:
- SINGAPORE
  - Best Office and Business Developer
- INDONESIA
  - Best Residential Developer
- VIETNAM
  - Best Developer
  - Best Residential Developer
  - Best Office and Business Developer
  - Best Mixed-use Developer
- Reflections at Keppel Bay clinched the Gold Award under the Residential (High Rise) category at the FIABCI Prix d'Excellence Awards.
- Marina Bay Financial Centre was named Best Commercial Development in Southeast Asia (SEA) while Marina Bay Suites was lauded the Best Condominium Development in SEA and Best Condominium in Singapore at the annual SEA Property Awards.
- Ocean Financial Centre set the Guinness World Record for the World's Largest Vertical Garden, and clinched the Skyrise Greenery Awards (Excellence) by the National Parks Board.
- Marina at Keppel Bay was named International Marina of the Year 2013 – 2014 by the Marine Industries Association Australia, while its City Reef project won the Best Environmental Initiative award.

- Keppel Land Hospitality Management was accorded the following awards at the World Travel Awards:
  - Spring City Golf & Lake Resort, Kunming, China
    - Asia's Leading Golf Resort
  - Sedona Hotel Yangon, Myanmar
    - Myanmar's Leading Hotel for the sixth consecutive year
  - Sedona Hotel Mandalay, Myanmar
    - Myanmar's Leading Resort
  - Sedona Suites Ho Chi Minh City, Vietnam
    - Vietnam's Leading Serviced Apartments

SUSTAINABILITY

- Keppel Corporation was the only industrial conglomerate and one of four Singaporean companies listed as a component of the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific) 2013/2014. Keppel Land was listed on the DJSI World and Asia Pacific Indices for the third and fourth consecutive years respectively.

- Keppel Corporation was one of two Singaporean companies included in the Euronext Vigeo World 120 Index, which recognises companies with the highest Environment, Social and Governance rankings.

- Keppel Land and Keppel T&T were conferred Top Honour and Achievement of Excellence respectively in the Sustainable Business Awards (Large Enterprise) category at Singapore Business Federation's Singapore Sustainability Awards.

- Keppel Land was ranked 17th in the Global 100 Most Sustainable Corporations in the World, topping Asian firms and the international real estate sector.

- Keppel Land was named the Regional Sector Leader for Asia and Office sector in the Global Real Estate Sustainability Benchmark Report.

- Keppel Land won the prestigious Eco-Advocate Award at the inaugural Asia-Pacific Enterprise Leadership Awards.

- Keppel Land was included in The Sustainability Yearbook for the fourth consecutive year. The Yearbook features the top 15% of the world's largest companies in sustainability leadership.

- Keppel Land was the Green Champion at the Singapore Compact Corporate Social Responsibility (CSR) Awards.

- Keppel Land clinched the Most Admired ASEAN Enterprise award in the CSR (Large Company) category at the ASEAN Business Awards.

- At the Singapore Environmental Achievement Awards by Singapore Environment Council, Keppel Land topped the services category while Keppel DHCS clinched the Merit award.

BUILDING AND CONSTRUCTION AUTHORITY (BCA) GREEN MARK AWARDS

- SINGAPORE
  - Keppel DHCS' Changi Business Park District Cooling System plant extension, Platinum
  - Corals at Keppel Bay, Gold^{Plus}
  - The Glades, Gold^{Plus}
  - The Luxurie, Gold
  - Keppel Digihub, Certified

- OVERSEAS
  - Sino-Singapore Tianjin Eco-City's Low Carbon Living Lab, Platinum
  - Hill Crest Residence in Spring City Golf & Lake Resort in Kunming, China, Gold

- Reflections at Keppel Bay received the BCA Universal Design Mark (Residential category) Platinum Award.

CORPORATE CITIZENRY

- The Keppel Group won the President's Award for Philanthropy (Corporate) for best practices in community involvement and corporate philanthropy.

- The Keppel Group garnered its sixth consecutive Distinguished Patron of the Arts Award from Singapore's National Arts Council.

- Keppel Care Foundation, Keppel O&M and Keppel Logistics Singapore were awarded Corporate Gold, Silver and Bronze respectively at the Community Chest Awards. Keppel Shipyard received the 10-Year Outstanding SHARE Award, while Keppel FELS and Keppel Singmarine received SHARE Platinum Awards.

- Keppel Corporation received the Singapore Lyric Opera's Patron Award.

- Keppel FELS was bestowed the Plaque of Commendation (Star) for promoting industrial relations, worker welfare and workfare and supporting National Trades Union Congress initiatives and programmes.
- For its economic and social contributions to the country, Keppel Land China was ranked among the Top 10 ASEAN companies in China by the China-ASEAN Business Council for the second consecutive year.

SAFETY

- The Keppel Group secured 32 Workplace Safety & Health (WSH) Awards conferred by the WSH Council and Singapore's Ministry of Manpower. This is the highest number of safety awards achieved by a single organisation.
- Keppel Shipyard won safety awards at the Seatrade Asia Awards, Lloyd's List Global Awards and Lloyd's List Asia Awards.
- Keppel Logistics Foshan won Model Enterprise in Safety Culture and was a runner-up in the Foshan City Industrial Injury Prevention and Safety Advancement Awards.

HUMAN RESOURCES

- Keppel Corporation was bestowed the Human Capital Breakthrough Award by Human Capital Singapore for improving human capital and group-wide talent management practices.
- Keppel O&M received the Best Graduate Development and Best Health & Wellbeing accolades at the 10th Annual Human Resources Management Awards.
- Keppel FELS was awarded the Plaque of Commendation (Star) award at National Trades Union Congress (NTUC) May Day Awards for its efforts to promote strong industrial relations, worker welfare and workfare.
- Keppel DHCS clinched the Bronze Award at the International Exposition on Team Excellence by the Singapore Productivity Association.

1. The Group secured 32 WSH awards in 2013, the highest number of safety awards achieved by a single organisation.
2. Reflections at Keppel Bay has won many green awards including the BCA Universal Design Mark (Residential category) Platinum Award.

1


2

CONFIGURED FOR GROWTH

In the 2013 Annual Reports of the Keppel Group of Companies, the distinctive Keppel spur is reflected in the tangram, a symbol of flexibility and creativity in shaping endless possibilities. Likewise, in a world of volatility, Keppel Corporation continually strives to configure all its components and competencies into a cohesive and optimal whole to capture value and enjoy sustainable growth.

Proprietary Designs

30

Jackup, semisubmersible and drillship solutions

Power Generation

1,300MW

Capacity fully operational

Residential Pipeline

66,000

Homes across Asia

CONFIGURED FOR GROWTH
GROWING BEYOND 45

45 YEARS
Shaping the Future

1850

1859
Singapore's first graving dock was built at New Harbour, later renamed Keppel Harbour

1960

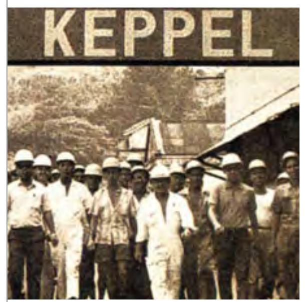
1968
Keppel Shipyard was inaugurated

1970

1972
Keppel came under local management

1973
Keppel Shipyard built a new shipyard in Jurong and took a majority stake in offshore rig builder, Far East Levingston Shipbuilding (FELS)

1975
First overseas venture: Established Keppel Philippines Shipyard



1976
Started shipbuilding business: Acquired Singmarine Shipyard

1978
Provided financial services with Shin Loong Finance

1980

1980
Keppel Shipyard was listed on Singapore Stock Exchange

1983
Diversified into property and shipping: Acquired Straits Steamship Company

1985
FELS developed its rig building technology

1986
Keppel Corporation was incorporated.

Acquired ex-Mitsubishi Yard, a cornerstone for FELS' growth

1989
Straits Steamship Co renamed Straits Steamship Land; Shipping Division was listed as Steamers Maritime Holdings

1990

1990
Acquired Asia Commercial Bank and renamed it Keppel Bank

Expanded into USA, UAE, Vietnam, China and Azerbaijan

1993
Keppel led the Singapore consortium in the Suzhou Industrial Park

1994
Established Offshore Technology Development

1997
Telecommunications company, M1, was launched

Acquired TatLee Bank and renamed it Keppel TatLee

1999
Acquired stake in Singapore Petroleum Company (SPC)

2000

2000
Launched KFELS B Class rig

Expanded into Brazil, the Netherlands and Qatar

Initiated Keppel Volunteers

2001
Divested its banking and financial services business

2002
Consolidated shipyard operations to become Keppel Offshore & Marine

Acquired Keppel Seghers Technology

2005
Keppel Land led in the development of Marina Bay Financial Centre

2006
Established K-REIT Asia, now known as Keppel REIT

2008
Became leader of the Singapore consortium for the Sino-Singapore Tianjin Eco-City

2009
Divested SPC

2010

2011
K-Green Trust was listed

2012
Launched Keppel Care Foundation

GLOBAL EVENTS

1965
Singapore's independence

1980
Oil crisis

1985
Global recession

1993
Oil price collapse

1997
Asian Financial Crisis

1999
Dot.com bubble burst

2000
Property downturn

2002
SARS outbreak

2008
Global Financial Crisis

Keppelites, as our people fondly call themselves, are building on success and an unstoppable *Can Do!* culture.

2013 was a year in celebration for Keppel as we took the opportunity to reflect on our strengths and achievements, recharge and innovate for the future and engage our people and all our stakeholders more deeply, wherever we operate.

Keppelites, as our people fondly call themselves, are building on success and an unstoppable *Can Do!* culture. We appreciate that only by understanding the past are we able to build for the future.

The story of Keppel continues to be intertwined with that of Singapore.

As a small island nation, Singapore has had to navigate deftly global tides, and punch far above its weight in order to thrive. Likewise, Keppel, which started as a small shiprepair yard, had to eke out a niche in the global arena to stand tall as a multi-national conglomerate today.

Even as we make strides ahead, we recognise that we are an integral part of the community and remember that the future is a shared one.

We are focused on making a great company better.

1

2

Focus

Having survived and even thrived through many crises and challenges, we recognise that our multi-business strategy has and continues to work well for us.

From designing and building the global benchmark-setting KFELS B Class jackup and the iconic Reflections at Keppel Bay to the quality Waste-to-Energy plant in the Qatari desert, the Keppel stamp of excellence distinguishes us from the competition.

We have clarity of focus. Even as we look for new opportunities, we will not stray from our core and close adjacencies. We strive to be the leader in all our chosen businesses and continue to provide our customers with the best value proposition so that Keppel is their choice partner.

Our steadfast discipline and prudence have ensured a solid balance sheet which provides us the financial strength to invest in growth and seize opportunities. Crises create opportunities for the ready. At the same time, we exercise discipline to prune non-core businesses and assets, monetise and recycle capital to bring better returns.

We have clarity of focus. Even as we look for new opportunities, we will not stray from our core and close adjacencies.

We are mindful of volatility and that credit markets could change quickly. Maintaining a strong balance sheet and diverse sources of funding will give us the flexibility to capitalise on opportunities when they arise. As a Group, we have in 2012 and 2013 tapped about $2.3 billion of fixed-rate debt with average maturity of almost 11 years. The Group's fund-raising moves were completed before the announcement of the US Federal tapering and subsequent rise in interest rates.

We have patiently executed on our *Near Market, Near Customer* strategy which is reaping results. Our early mover advantage in Brazil was planted some 13 years ago when we began operating the BrasFELS yard in Angra dos Reis and today, it has become the most comprehensive offshore and marine facility in Latin America. Presently, we are building for Sete Brazil six semisubmersibles based on Keppel's DSS™ 38E design which are well-suited to meet the stringent requirements of the deepwater "Golden Triangle" region of Brazil, West Africa and the Gulf of Mexico.

We are reinforcing our *Near Market, Near Customer* strategy, expanding and enhancing our network of yards, with our latest move to capture opportunities from the continued growth of the Gulf of Mexico. Keppel Offshore & Marine (Keppel O&M) has inked a Memorandum of Understanding with subsidiaries of Mexico's national oil company and the world's fifth-largest crude oil producer, PEMEX to jointly develop, own and operate a yard facility. The yard is strategically located in Altamira along the coast of the Gulf of Mexico, where its first phase will support the construction of six KFELS B Class jackup drilling rigs.

We have been a strong supporter of PEMEX's oil and gas programme with some 19 projects delivered and on order for Mexico presently. Through our partnership with PEMEX, we will tap each other's technological expertise and know-how to provide comprehensive solutions for the Mexican market.


3

1. Keppel's growth story has seen each generation of Keppelites pick up the baton and strive for greater heights.
2. The Keppel *Can Do!* culture and strong core values bond our 40,000-strong people across the globe.
3. Our *Near Market, Near Customer* strategy has spawned a global network of 20 shipyards to better serve our customers.

1

2

Distinction

Who would have imagined that a Singapore company would, in the last decade, build half of the world's new jackup rigs?

In 2013, Keppel FELS delivered 21 rigs on time or ahead of schedule and safely, setting a new record for the most number of offshore rig deliveries by a company in a single year. Our previous record was 13 in 2009. This remarkable feat was achieved through application of new technology and equipment as well as innovative construction methodology.

Excellent execution has long been Keppel's hallmark. Our projects are delivered on time, on budget and incident free. We will not be content with what has been achieved but continue to push the boundaries of our performance.

Keppelites are challenged to enhance our customers' businesses through innovation that harnesses the breadth and depth of our experience and expertise as well as global network and world-class products. We will keep collaborating with our customers, industry partners and the academia to think up new solutions using the best technology on offer.

2013 was also marked by a deeper collaboration between Keppel and the academia to offer innovative solutions for oil and gas exploration and production in ultra-deep water and Arctic environments. Keppel Corporation and the National University of Singapore (NUS) announced on 25 November 2013 the setting up of the Keppel-NUS Corporate Laboratory, in collaboration with the National Research Foundation, Prime Minister's Office, Singapore.

The Keppel-NUS Corporate Laboratory will create a synergistic industry-university partnership to pursue three main research thrusts which are centred on Future Systems, Future Yards and Future Resources to meet the future challenges of the offshore industry.

Its vision is to be a global technology centre of excellence in the pursuit of resources from harsh environments and ocean beds while preserving and sustaining our environment. Its mission is to undertake Research & Development through Keppel's core competencies and NUS' research expertise in solutions for Deepwater, Arctic and other fields.

Leveraging the expertise of NUS research centres such as the NUS Centre for Offshore Research & Engineering and NUS Tropical Marine Science Institute, as well as Keppel's research unit Keppel Offshore & Marine Technology Centre, the Corporate Laboratory will develop capabilities and technologies to maintain Singapore's position as a global leader in the offshore and marine industry.

Professor Chan Eng Soon, Co-Chairman of Keppel-NUS Corporate Laboratory and Dean, Faculty of Engineering at NUS, commented, "The establishment of the Keppel-NUS Corporate Laboratory will provide a unique platform to build synergy between industry and academia. It will certainly create a culture for thinking out of the box in addressing real world problems. As it is imperative that we leapfrog ahead in innovation and technology towards expanding Singapore's investment in the offshore industry, we need to nurture engineer leaders and experts capable of going beyond frontiers in coming out with holistic solutions for complex challenges of the future."

In the same vein, the innovative spirit embedded in Keppel Land's DNA has propelled its transformation from a Singapore commercial landlord to one of Asia's leading property developers with a sterling portfolio of investment-grade office buildings, integrated townships, and residential developments. In 2013, Keppel Land embarked on a brand refresh exercise with the philosophy – Thinking Unboxed – articulating Keppel's constant commitment to innovation.

1. The Keppel-NUS Corporate Laboratory will pursue research thrusts centred on Future Systems, Future Yards and Future Resources to maintain Singapore's global leadership in the offshore and marine industry.
2. Sitting on a site which was previously Keppel's Harbour Yard, Keppel Bay has become a showcase for world-class waterfront homes.

CONFIGURED FOR GROWTH

Engagement

We want to build not just a world-class company but also a sustainable one, upheld by integrity and accountability.

1. Our top management walks the talk in reaching out to the underprivileged.

2. Keppel Corporation marked its 45th anniversary in 2013 by giving back to the community.

Our businesses are configured for growth, providing sustainable solutions to meet the world's needs for energy, homes, connectivity and a clean environment. We want to build not just a world-class company but also a sustainable one, upheld by integrity and accountability. In shaping Keppel's future, we embrace sustainability not only as a guiding principle, but also on strategic and operational levels.

Sustainability issues are managed and communicated at all levels of the Keppel Group. We recognise that business and sustainability goals are best unified through an active engagement process with our stakeholders. Importantly, the commitment of senior management is crucial to successfully engage Keppelites as well as provide leadership and direction for the Group's performance against sustainability indicators.

We continue to document and track our progress in our sustainability reports which communicate our aspirations, plans, actions, performance and commitment to grow the Company holistically. All our reports draw on internationally-recognised standards of reporting, including the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 3.1 and the Guide to Sustainability Reporting for Listed Companies published by the Singapore Exchange.

Our sustainability journey has charted encouraging strides. Keppel Corporation is the only industrial conglomerate and one of only four Singapore companies to be listed as an index component of the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific) 2013/2014. Keppel Land was listed on the Dow Jones Sustainability World Index for the third consecutive year and the DJSI Asia Pacific Index for the fourth consecutive year. It was also listed in the prestigious Global 100 Most Sustainable Corporations in the World 2014, clinching the 17th position globally and placing it tops among Asian as well as real estate companies worldwide.

1

We recognise that as communities thrive, we thrive. Tapping our collective strength, Keppelites are encouraged to become responsible citizens with a genuine concern for the well-being of others, especially those of the underprivileged.

In commemoration of Keppel Corporation's 45th anniversary, August was designated as the Keppel Community Month during which we engaged our business units and volunteers worldwide in sustainable projects to benefit children, youths and the environment. Beyond providing funds, we championed the giving of time, knowledge and expertise to serve the communities. The month-long campaign rallied Keppelites in doing good across businesses and across boundaries.

In Singapore, Keppelites served more than 9,000 hours in community service, exceeding the 5,000 hours pledged to the President's Challenge 2013. In addition, the Keppel Young Leaders also embarked on a project under the President's Challenge to review and refine the business models of social enterprises, beginning with those under Keppel's adopted charity, the Association for Persons with Special Needs.

We continued our sponsorship of the Keppel-Singapore Table Tennis Association (STTA) Awards Night to honour Singapore's top table tennis talents for their achievements. Our partnership with STTA builds on a three-year agreement to fund the Keppel Corporation Clementi Zone Training Centre. The Centre offers professional table tennis coaching for Singaporeans aged 5 to 11 years old with the aim of broadening the base of competitive players to be infused into the National Youth Squads. Both initiatives aim to grow and develop sporting champions in Singapore.

Keppel has also been a longstanding supporter of the arts as we believe that a vibrant arts scene will help to forge our national identity and strengthen community ties. We partnered Esplanade-Theatres on the Bay to relaunch *Keppel Nights* and cultivate life-long arts engagement among the young. Keppel contributed $360,000 in support of the programme to provide students from some 20 heartland schools in Singapore with access to shows presented by the Esplanade.

To create a legacy for nurturing a new generation of creative and critical thinkers through art education, Keppel Corporation committed $12 million to the National Art Gallery in support of its centre for art education which will be named the Keppel Centre for Art Education.

The Keppel Centre for Art Education will be the first dedicated art education facility of its kind in Singapore and the region. It is projected to engage 250,000 children and youths every year when it opens its doors in 2015, and will provide an immersive and creative learning environment, and resources for educators and researchers.

2

Aiming higher

We have grown to be more than 40,000 strong in over 30 countries around the world. The Keppel *Can Do!* culture and our core values of passion, integrity, customer focus, people-centredness, safety, agility and innovativeness, collective strength and accountability will continue to bind us and drive us.

Our pioneers had shown us the Keppel way by walking the talk before our core values even found articulation. As we contemplate on so rich an inheritance built over forty five years, we know that the bar is set high. We must aim higher, stay hungry and ensure we are not overtaken by technology, rivals or shifting markets.

Keppelites are charged afresh to take the Company to greater heights.

Operating & Financial Review

Keppel Corporation creates sustainable value through its key businesses in Offshore & Marine, Infrastructure and Property. The Group serves a global customer base through its presence in over 30 countries, and as at end-2013 had total assets of $30.06 billion.

Some of the key factors influencing the Group's businesses include global and regional economic conditions, oil and gas exploration and production activities, real estate markets, currency fluctuations, capital flows, interest rates, taxation and legislation. As the Group's operations involve providing a range of products and services to a broad spectrum of customers in many geographic locations, no single factor, in the management's opinion, determines the Group's financial condition nor the profitability of its operations.

This section provides the strategic market and business overview of the Keppel Group's operations and financial performance, based on its consolidated financial statements as at 31 December 2013. Also discussed are the impact of key business activities on the Group's performance, challenges in the operating environment, as well as long-term strategies which Keppel uses to shape its future.

Contents

GROUP STRUCTURE

Keppel Corporation Limited

OFFSHORE & MARINE

- Offshore rig design, construction, repair and upgrading
- Ship conversion and repair
- Specialised shipbuilding

KEPPEL OFFSHORE & MARINE LTD	**100%**
Keppel FELS Limited	100%
Keppel Shipyard Limited	100%
Keppel Singmarine Pte Ltd	100%
Keppel Nantong Shipyard Company Limited *China*	100%
Offshore Technology Development Pte Ltd	100%
Deepwater Technology Group Pte Ltd	100%
Marine Technology Development Pte Ltd	100%
Keppel AmFELS LLC *United States*	100%
Keppel Verolme BV *The Netherlands*	100%
Keppel FELS Brasil SA *Brazil*	100%
Keppel Singmarine Brasil Ltda *Brazil*	100%
Keppel Philippines Marine Inc *The Philippines*	98%
Keppel Subic Shipyard Inc *The Philippines*	86%
Caspian Shipyard Company Limited *Azerbaijan*	45%
Arab Heavy Industries PJSC *United Arab Emirates*	33%
Nakilat-Keppel Offshore & Marine Ltd *Qatar*	20%
Dyna-Mac Holdings Limited	24%

INFRASTRUCTURE

- Gas-to-Power
- Waste-to-Energy
- X-to-Energy
- Logistics and data centres

KEPPEL INFRASTRUCTURE HOLDINGS PTE LTD	**100%**
Gas-to-Power	
Keppel Merlimau Cogen Pte Ltd	100%
Keppel Gas Pte Ltd	100%
Keppel Electric Pte Ltd	100%
Waste-to-Energy	
Keppel Seghers Engineering Singapore Pte Ltd	100%
X-to-Energy	
Keppel DHCS Pte Ltd	100%
K-Green Trust	49%

KEPPEL TELECOMMUNICATIONS & TRANSPORTATION LTD	**80%**
Logistics & Data Centres	
Keppel Logistics Pte Ltd	100%
Keppel Data Centres Holding Pte Ltd	100%
Keppel Logistics (Foshan) Pte Ltd *China*	70%

PROPERTY

- Property development
- Property fund management
- Property trusts

KEPPEL BAY PTE LTD[2]	**100%**
KEPPEL LAND LIMITED	**55%**
Keppel Land International Limited *Southeast Asia and India*	100%
Keppel Land China *China*	100%
Alpha Investment Partners Ltd	100%
Keppel REIT	45%

INVESTMENTS

- Investments
- Telco

K1 VENTURES LIMITED	**36%**
KRISENERGY LTD *Cayman Islands*	**31%**
M1 LIMITED[3]	**20%**

1 Owned by a Singapore Consortium, which is in turn 90%-owned by the Keppel Group.

2 Owned by Keppel Corporation Limited (70%) and Keppel Land Limited (30%).

3 Owned by Keppel Telecommunications & Transportation Ltd, an 80%-owned subsidiary of Keppel Corporation.

Updated as at 6 March 2014. The complete list of subsidiaries and significant associated companies is available at Keppel Corporation's website www.kepcorp.com.

GROUP CORPORATE SERVICES

Control & Accounts	Corporate Communications	Strategy & Development	Corporate Development/ Planning	Human Resources	Legal	Risk Management	Audit	Tax	Treasury	Information Systems

SINO-SINGAPORE TIANJIN ECO-CITY INVESTMENT AND DEVELOPMENT CO., LTD[1] *China* — **50%**

MANAGEMENT DISCUSSION & ANALYSIS

We are configured for growth with prudent financial discipline and a strong balance sheet.

Operating Cash Flow

$625m

Mainly due to higher receipts from rig deliveries and new orders secured by the Offshore & Marine Division.

Total Distribution Per Share

49.5cts

Total distribution for the year will be about $894 million.

Key Performance Indicators

	2013 $ million	13 vs 12 % +/(-)	2012 $ million	12 vs 11 % +/(-)	2011 $ million
Revenue	**12,380**	-11	13,965	+39	10,082
Net profit before revaluation, major impairment and divestments	**1,412**	-26	1,914	+28	1,491
Revaluation, major impairment and divestments	**434**	+34	323	-29	455
Attributable profit after revaluation, major impairment and divestments	**1,846**	-17	2,237	+15	1,946
Operating cash flow	**625**	-38	1,006	n.m.	(224)
Free cash flow**	**642**	+3	625	n.m.	(297)
Economic Value Added (EVA)*	**939**	-32	1,375	+34	1,024
Earnings Per Share (EPS)*	**78.2 cts**	-27	106.8 cts	+27	83.8 cts
Return On Equity (ROE)*	**14.9 %**	-34	22.6 %	+9	20.8 %
Total Distribution Per Share	**49.5 cts**	-33	73.6 cts	+71	43.0 cts

* Figures exclude revaluation, major impairment and divestments.
** Free cash flow excludes expansionary acquisitions and capex, and major divestments.

GROUP OVERVIEW

In the absence of one-off gains from Reflections at Keppel Bay as well as sale of some equity investments in 2012, Group net profit before revaluation, major impairment and divestments decreased by 26% to $1,412 million. The compounded annual growth for net profit before revaluation, major impairment and divestments from 2008 to 2013 was 5.5%. Attributable profit after revaluation, major impairment and divestments was $1,846 million.

EPS declined by 27% to 78.2 cents. ROE was 14.9%. At $939 million, EVA was $436 million lower than the previous year.

Net cash from operating activities dropped 38% to $625 million as compared to $1,006 million in 2012. This was due mainly to higher operational activities in the prior year.

Net cash from investment activities was $17 million. The Group spent $489 million on investments and operational capital expenditure, mainly in the Offshore & Marine Division. After taking into account proceeds from divestments and dividend income of $506 million, the resulting free cash inflow was $642 million.

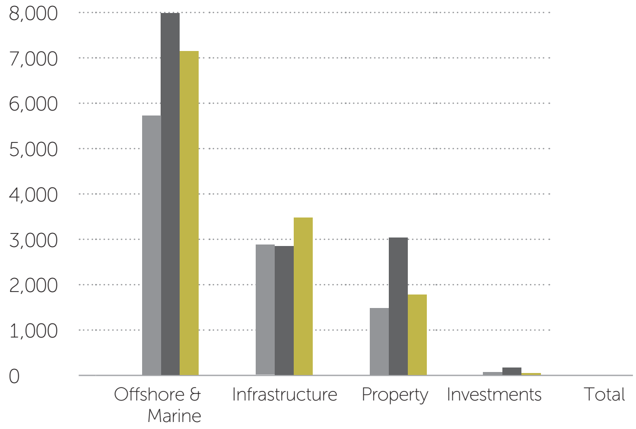
Total distribution for 2013 will be 49.5 cents per share. This comprises a final proposed dividend of 30.0 cents per share, an interim cash dividend of 10.0 cents per share and a special dividend *in specie* of eight Keppel REIT units for every 100 shares held in the Company (equivalent to 9.5 cents per share) distributed in 3Q 2013. The total distribution for the year will be about $894 million.

SEGMENT OPERATIONS

Group revenue of $12,380 million was $1,585 million or 11% below that of the previous year. Revenue from the Offshore & Marine Division of $7,126 million was $837 million or 11% lower due mainly to several newly commenced jobs which have not reached the threshold for revenue recognition. Revenue from the Infrastructure Division of $3,459 million was $627 million or 22% higher due mainly to greater revenue contributed by the co-generation power plant in Singapore. Revenue from the Property Division of $1,768 million fell by $1,250 million or 41% due largely to a decline in sales recognition of Reflections at Keppel Bay.

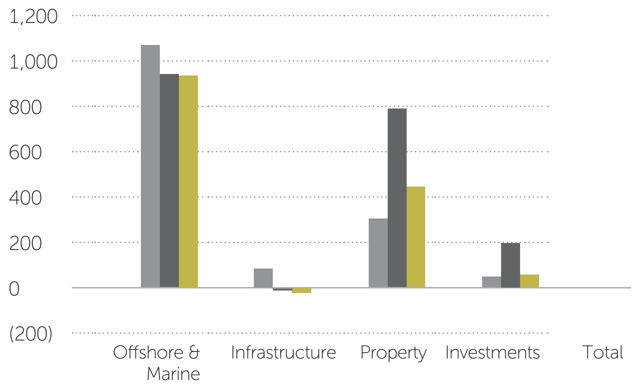
Group net profit of $1,412 million was $502 million or 26% lower than that of the previous year. Profit from the Offshore & Marine Division of $930 million was $7 million lower than that of the prior year. Losses from the Infrastructure Division were $14 million in 2013 as compared to $1 million in 2012. Losses arising from cost overruns pertaining to the Engineering Procurement and Construction contracts were eased by better performance at the co-generation power plant. Profit from the Property Division of $442 million declined by 44% largely due to reduced contributions from Reflections at Keppel Bay, partly offset by higher profit from China and gains from the sale of the Jakarta Garden City project. Profit from the Investments Division decreased due to fewer disposals of equity investments during the year.

Revenue ($ million)



	Offshore & Marine	Infrastructure	Property	Investments	Total
2011	5,706	2,863	1,467	46	10,082
2012	7,963	2,832	3,018	152	13,965
2013	**7,126**	**3,459**	**1,768**	**27**	**12,380**

Net Profit* ($ million)



	Offshore & Marine	Infrastructure	Property	Investments	Total
2011	1,064	82	300	45	1,491
2012	937	(1)	784	194	1,914
2013	**930**	**(14)**	**442**	**54**	**1,412**

* Figures exclude revaluation, major impairment and divestments.

OFFSHORE & MARINE

We aim to be the preferred solutions partner in the global offshore and marine industry.

Profit Before Tax*

$1,187m

as compared to FY 2012's $1,181 million.

Net Profit*

$930m

as compared to FY 2012's $937 million.

1

MAJOR DEVELOPMENTS IN 2013

- Delivered a record number of 22 rigs worldwide.
- Achieved record net orderbook of $14.2 billion as at end-2013.
- Inaugurated Baku Shipyard in Azerbaijan and signed an MOU with PEMEX for a yard in Mexico.
- Launched Keppel-NUS Corporate Laboratory to augment innovation and R&D efforts.

FOCUS FOR 2014/2015

- Sharpen execution and grow technology expertise to amplify value proposition.
- Boost productivity through innovation.
- Harness synergy of global yards and leverage *Near Market, Near Customer* strategy to seize opportunities in new markets and adjacent businesses.
- Maintain emphasis on talent management and Health, Safety and the Environment.

EARNINGS REVIEW

The Offshore & Marine Division secured about $7 billion of new orders for 2013. The net orderbook stood at a record high of $14.2 billion with deliveries extending into 2019. Revenue of $7,126 million was $837 million or 11% lower. Operating profit margin for 2013 was 14.7%, an improvement from last year's 13.5%. Pre-tax earnings increased 1% to $1,187 million due to an increase in share of associated companies' profits, partly offset by a decrease in operating results. Net profit of $930 million was $7 million or 1% lower than in 2012. This Division remains the largest contributor to Group net profit with a 66% share.

MARKET REVIEW

Most of 2013 was fraught with uncertainties and anxieties mainly over the impact of the tapering of the US' quantitative easing. While the global economy is showing gradual signs of improvement, there remain concerns over the sustainability of growth, threat of higher global interest rates, deflation risks in the Eurozone and the contagion impact of China's slower economic expansion.

In spite of these global currents, Brent crude price hovered around US$100 per barrel during the year, sustaining the impetus for exploration and production (E&P) spending. In the near term, a potential increase in non-OPEC oil supply is expected to add downward pressure on prices. The impact of this, however, could be partially cushioned by a concurrent, gradual rise in oil demand that is forecast to reach 92.5 million barrels per day in 2014.

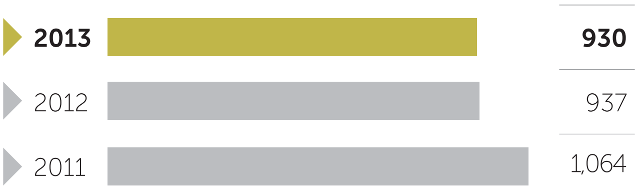
OPERATING REVIEW

2013 was a record year for Keppel O&M whose continuous productivity improvements have enabled it to deliver 22 rigs, a tension leg wellhead platform (TLWP), five Floating Production Storage and Offloading (FPSO)/ Floating Storage and Offloading (FSO) conversion and upgrading projects and eight specialised vessels to the satisfaction of customers worldwide.

Earnings Highlights ($ million)

	2013	2012	2011
Revenue	**7,126**	7,963	5,706
EBITDA*	**1,181**	1,211	1,459
Operating Profit*	**1,044**	1,077	1,318
Profit before Tax*	**1,187**	1,181	1,417
Net Profit*	**930**	937	1,064
Manpower (Number)	**31,487**	29,765	25,830
Manpower Cost	**1,173**	1,080	949

Net Profit* ($ million)



* Figures exclude revaluation, major impairment and divestments.

1. Keppel FELS continued to support the growing Mexican market with its benchmark-setting KFELS B Class jackup, here in delivery to customer, CP Latina.
2. 2013 was a record year as Keppel delivered 22 rigs to customers globally.

Amidst stiff competition, the company continued to win the confidence of drillers and operators, and secured new orders worth about $7 billion in 2013, pushing its net orderbook to a new high of $14.2 billion, with deliveries and revenue visibility stretching till 2019.

Keppel's position as the industry's preferred solutions partner was further entrenched with wide market acceptance of its in-house designs. Notably, Keppel O&M's proprietary solutions constituted all 21 of the newbuild rig orders received by the company in 2013.

The KFELS B Class jackup, in particular, has become an undisputable industry standard, accounting for one-third of the jackups delivered in the past 13 years. As at end of 2013, another 23 such units were in various stages


2

of construction in Keppel's yards. To expand its breadth of product offerings, Keppel O&M announced that it would proceed to construct the CAN-DO drillship, a design that was developed in close consultation with drillers, oil companies and vendors. The company is also in negotiations with Golar LNG to embark on the world's first Floating Liquefied Natural Gas (FLNG) vessel conversion as well.

Expanding on its *Near Market, Near Customer* strategy, Keppel O&M signed a Memorandum of Understanding (MOU) with Mexico's national oil company, PEMEX, to develop, own and operate a new shipyard in Mexico that will initially support the construction of six KFELS B Class jackups. Meanwhile, Baku Shipyard, its second yard facility in Azerbaijan, was inaugurated.

OFFSHORE

Through seamless project management and the synergy of satellite yards in the region, Keppel FELS delivered 21 rigs either on time or ahead of schedule in 2013, far surpassing its previous record of 13 rigs in 2009.

Among the satisified global customers were Arabian Drilling Company, Asia Offshore Drilling, CP Latina, Ensco, Gulf Drilling International, Hercules Offshore, Japan Drilling Company and Transocean, some of whom had also awarded early delivery bonuses for their rigs.

In 2013, Keppel FELS continued to win contracts from returning customers such as Star Drilling, Clearwater and Floatel International. Ensco, which had taken delivery of its first KFELS Super A Class jackup during the year, also returned to order its fourth repeat unit. Other significant new orders secured include five KFELS Super B Class jackups from long-time customer Transocean, and five KFELS B Class jackups from Grupo R.

Amidst the heavy workload, Keppel FELS continued to put Health, Safety and Environment as its top priority. It was conferred 13 project awards by Singapore's Workplace Safety and Health (WSH) Council as well as the Silver Award for its piping safety squad and safety performance by the Association of Singapore Marine Industries. Separately, its harsh environment accommodation semisubmersible (semi) design, DSS™ 20NS, was also honoured with a Prestigious Engineering Achievement Award from the Institution of Engineers Singapore.

Record Number of Rig Deliveries in 2013

No.	Project	Model	Customer
Newbuild jackups			
1	AOD I	KFELS B Class	Asia Offshore Drilling
2	AOD II	KFELS B Class	Asia Offshore Drilling
3	AOD III	KFELS B Class	Asia Offshore Drilling
4	ArabDrill 50	KFELS B Class	Arabian Drilling Company
5	ArabDrill 60	KFELS B Class	Arabian Drilling Company
6	B341	KFELS B Class	Gulf Drilling International
7	Dynamic Vision	KFELS B Class	Vision Drilling
8	La Santa Maria	KFELS B Class	CP Latina
9	La Covadonga	KFELS B Class	CP Latina
10	Laurus	KFELS B Class	Integradora de Servicios Petroleros Oro Negro
11	UMW Naga 4	KFELS B Class	UMW Oil & Gas Corporation
12	HAKURYU-11	KFELS Super B Class	Japan Drilling Company
13	Transocean Siam Driller	KFELS Super B Class	Transocean
14	Transocean Andaman	KFELS Super B Class	Transocean
15	Transocean Ao Thai	KFELS Super B Class	Transocean
16	ENSCO 120	KFELS Super A Class	Ensco
17	ENSCO 121	KFELS Super A Class	Ensco
18	Hercules Triumph	KFELS Super A Class	Hercules Offshore
19	Hercules Resilience	KFELS Super A Class	Hercules Offshore
20	Papaloapan	LeTourneau SII6E	Perforadora Central
Newbuild semisubmersibles			
21	Sapura Kencana Esperanza	KFELS SSDT™ 3600E	Sapura Kencana
22	Floatel Victory	KFELS SSAU™ 5000NG	Floatel International

In the US, Keppel AmFELS won its fifth jackup order from Mexico's Perforadora Central. The Brownsville yard delivered the third jackup in 2Q 2013, and is presently building the fourth unit which will be completed in mid-2014. Keppel AmFELS also secured several repair contracts, including work on Noble Drilling's jackup, Noble John Sandifer.

Over in Latin America, Keppel FELS Brasil won a contract from repeat customer, MODEC and Toyo Offshore Production Systems (MTOPS), to integrate the topside modules of an FPSO. It was also engaged by Diamond Offshore to upgrade and repair the semi Ocean Quest, a job which the BrasFELS yard in Angra dos Reis turned around in three months.

Activity levels at BrasFELS remained high with several major deliveries in 2013. These included the conversion of FPSO Cidade de Paraty, which was completed jointly with Keppel Shipyard, and the upgrading of the drillship Noble Roger Eason. Meanwhile, Brazil's first TLWP, P-61, arrived at the Papa Terra field in the Campos Basin in early 2014, following the successful integration of its topsides and lower hull at BrasFELS.

During the year, BrasFELS struck steel for the second of six DSS™ 38E semis for Sete Brasil. Work on the first semi remains on track, with its hull arriving in Brazil from Singapore in January 2014.

As part of ongoing yard improvements, BrasFELS completed the assembly of a 2,000-tonne gantry crane which will triple its lifting capacity and enhance its flexibility.

In Azerbaijan, Caspian Shipyard Company (CSC) and Keppel FELS won a contract to build a DSS™ 38M drilling semi for State Oil Company of Azerbaijan Republic (SOCAR). Construction of the semi began in December 2013. CSC also constructed and launched a floating dock for Baku Shipyard, and integrated a 31-year-old jackup, Prime Exerter, for Ezion Exerter Ltd. Destined for deployment in Turkmenistan, Prime Exerter was first cut up at Keppel Verolme before it was brought into the Caspian Sea through the Volga-Don canal for integration.

SIGNIFICANT EVENTS

February

- Keppel FELS Brasil and Keppel Shipyard respectively secured contracts from MTOPS to integrate the topside modules of an FPSO, and SBM Offshore to fabricate an internal turret for a newbuild FPSO unit, with a combined contract value of $200 million.
- Keppel FELS secured three contracts worth US$300 million to build a KFELS B Class jackup for Star Drilling as well as upgrade the semis ENSCO 5006 for Ensco and Ocean Patriot for Diamond Offshore.

March

- Keppel FELS secured contracts from Mexican drilling company, Grupo R, to build four KFELS B Class jackups worth US$820 million.

April

- Keppel FELS clinched a US$225 million contract to build a KFELS B Class jackup for long-time customer Ensco.
- Keppel FELS won a contract worth US$226 million from Falcon Energy Group to construct a KFELS Super B Class jackup.

May

- Keppel Shipyard completed refurbishment and integration works on EMAS Offshore's FPSO, Perisai Kamelia.

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1. BrasFELS has enhanced its productivity with a 2,000-tonne gantry crane.

1


For greater work efficiency and safety, CSC acquired a CNC Plasma Cutting Machine to automate and improve the quality of steel plate cutting. It is also upgrading its blasting and painting halls to accommodate larger blocks.

Keppel Verolme continued to receive a steady flow of repair, upgrade and special periodic survey work for a diverse range of North Sea vessels in 2013. These included repairs on a pair of semis, a jackup, an FPSO and a crane vessel. During the year, repairs on Saipem's Scarabeo 5 semi were completed while Rowan Gorilla VI jackup's repair and upgrade are ongoing.

It also completed and installed a floating, self-erecting substation platform for Global Tech 1, an offshore wind park in the German Exclusive Economic Zone in the North Sea. During the year, Keppel Verolme received a permit from the city of Rotterdam to decommission aged infrastructure and old offshore rigs in the North Sea.

In China, Keppel Nantong Heavy Industries' 26.6-ha yard expansion was substantially completed. The satellite yard is now well-equipped to support Keppel O&M group's offshore projects, including jackups and semis.

MARINE

Keppel Shipyard repaired 383 vessels in 2013, up from 298 in 2012, with tankers, container vessels, gas carriers, drilling vessels and offshore supply vessels contributing substantially to the business. Over 80% of the repair revenues for the year came from repeat customers and companies with fleet agreements. Keppel Shipyard also signed new repair fleet agreements with CGG Group and Western Geco, as well as renewed existing ones with Mitsui O.S.K. Lines (MOL), JX Tanker Company, McDermott International and Nippon Yusen Kaisha.

In 2013, Keppel Shipyard completed three FPSO and one FSO conversion/ upgrading projects. At year-end, there were eight FPSO conversion projects

1. The expansion of the Raffles Dock enables Keppel Shipyard to accommodate a wider range of modern vessels.

2. Keppel is positioned to meet the rising demand for floating accommodation units.

and three turret fabrication projects in progress. Making headway in the gas sector, Keppel Shipyard concluded the Front-End Engineering and Design (FEED) study to convert a Liquefied Natural Gas (LNG) carrier into an FLNG vessel for Golar LNG. It also completed a feasibility study to convert an LNG Carrier into an Ethane Carrier for the Singapore arm of France-based international wholesale energy market leader, the EDF Group.

Keppel Shipyard further demonstrated its versatility in meeting the needs of the shipping industry through the installation of a Ballast Water Treatment System on MOL's Very Large Crude Carrier (VLCC) Libra Trader, and a Mewis Duct System on AP Moller's tanker, Maersk Ingrid.

Putting safety first, Keppel Shipyard clocked a total of 50.3 million man-hours without lost-time incidents in 2013. It won top safety accolades from Seatrade, Lloyd's List Global and Lloyd's List Asia, as well as eight safety and health awards from Singapore's WSH Council for various projects.

As part of ongoing yard enhancements, Keppel Shipyard completed the widening and lengthening of its Raffles Dock and added fabrication space to the Tuas Yard. The newly expanded Raffles Dock, now measuring 400 metres by 64 metres, enables Keppel Shipyard to accommodate the new generation of ultra-large containerships.

In spite of the challenging business environment and soft repair market in the Philippines, Keppel Batangas Shipyard (Keppel Batangas) and Keppel Subic Shipyard (Keppel Subic) completed a total of 108 repair projects.

Meanwhile, shipbuilding activities continued to provide a source of revenue. In 2013, Keppel Batangas delivered the 4,000 dwt bulk ore/fuel carrier Fly Resilience to Ok Tedi, while Keppel Subic worked on newbuildings such as the Malampaya Phase 3 (MP3) Depletion Compression Platform (DCP) for Shell Philippines Exploration,

SIGNIFICANT EVENTS

June

- Keppel O&M, through its subsidiaries Caspian Rigbuilders BV and Caspian Shipyard Company, secured a contract from Caspian Drilling Company to build a DSS™ 38M semi worth about US$800 million for SOCAR.

July

- Keppel FELS won a US$210 million order to build a KFELS B Class jackup for PV Drilling Overseas.
- Keppel FELS secured a US$206 million contract from Grupo R to build the latter's fifth KFELS B Class jackup.
- Keppel Shipyard completed conversion projects–FPSO OSX-2 for SBM Offshore and FSO Mayumba for the Perenco Group.
- Keppel announced that Mr Chow Yew Yuen, COO of Keppel O&M, would succeed Mr Tong Chong Heong as CEO of Keppel O&M with effect from 1 February 2014.

August

- Keppel FELS was awarded a US$206 million contract to build a KFELS B Class jackup for Parden Holding.
- Keppel FELS won a contract worth about US$280 million from Floatel International to build its fifth accommodation semi.

2

SIGNIFICANT EVENTS

September

- Baku Shipyard, jointly developed by Keppel O&M, SOCAR and Azerbaijan Investment Company, was officially opened by President of Azerbaijan, H.E. Ilham Aliyev.
- Keppel Shipyard secured two FPSO conversion contracts worth $190 million in total from SBM Offshore and M3nergy Offshore.
- Keppel O&M entered into a sale and purchase agreement with KazStroyService Global Engineering to divest Keppel Kazakhstan. The sale was completed in February 2014.

October

- Keppel FELS secured two repeat KFELS B Class jackup orders worth US$440 million from an affiliate of Clearwater Capital Partners.
- Keppel O&M signed an MOU with subsidiaries of Mexico's national oil company, PEMEX, to jointly develop, own and operate a yard facility in Mexico. The first phase will support the construction of six KFELS B Class jackups.
- Keppel AmFELS won a contract from a subsidiary of Mexican driller, Perforadora Central, to build a KFELS B Class jackup worth US$240 million.

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and the coal transshipper crane barge, Ratu Giok 5.

Both Philippine yards continued to improve their capabilities in fabricating offshore structures. Keppel Batangas was upgraded with additional assembly areas, cutting machines, lifting equipment and cranes. Keppel Subic added fabrication areas for topsides and substructures, assembly areas, pipe shops, warehouses, and of noteworthy is a 1,500-tonne gantry crane that enables it to take on large-scale offshore projects such as the MP3 DCP.

In the United Arab Emirates, Arab Heavy Industries (AHI) repaired 183 vessels, mostly from returning customers including Van Oord ACZ, Boskalis Westminster, Swire Pacific Offshore, Al Jazeera Marine and the Abu Dhabi Petroleum Ports Operating Company. During the year, AHI upgraded and mobilised three jackup lift boats for Hercules Offshore, as well as repaired and upgraded a well-stimulation vessel for Halliburton Company. It also converted a jackup rig into an accommodation platform for Atlantic Marine Services and an Anchor Handling Tug Supply (AHTS) vessel into a diving support vessel for SMIT International.

Since commencing operations in 2010, Nakilat-Keppel Offshore & Marine (N-KOM) in Qatar has built up a solid track record by delivering over 200 marine, offshore and onshore projects, and established its renown as the Middle East's foremost shipyard. In 2013, the yard won the Shiprepair/Shipyard Award for the second year running at Seatrade's Middle East and Indian Subcontinent Awards.

Leveraging its strong presence in the regional offshore repair market, N-KOM expanded its services to include on-site servicing of offshore platforms. It also has an Onshore and Industrial Engineering division, which specialises in refurbishing and setting up land rigs as well as fabricating related components such as mudtanks.

2

In response to the Arabian Gulf's growing gas market, N-KOM is positioning itself as the choice provider of LNG solutions in the region and has repaired 80 gas carriers as at end-2013.

SPECIALISED SHIPBUILDING

In 2013, Keppel Singmarine made incident-free deliveries such as a multi-purpose dive support vessel to SBM Offshore, a 65-tonne bollard pull anchor handling tug to repeat customer Seaways International, as well as a container vessel and a dual-purpose bulk carrier to Ok Tedi Mining.

Strengthening its track record for Arctic offshore support vessels, Keppel Singmarine received a Letter of Intent from Bumi Armada to construct three ice-class vessels to be chartered to LUKOIL upon delivery in late 2015.

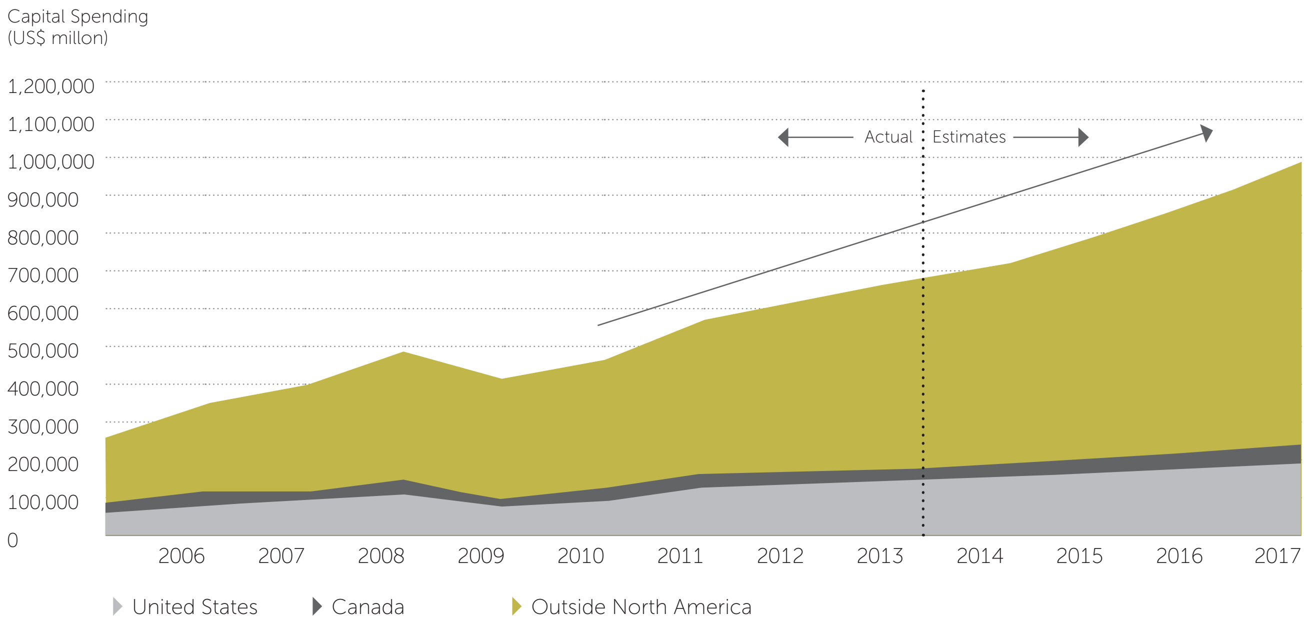
To seize opportunities from the rising global demand for LNG and supporting infrastructure, Keppel Singmarine forged a strategic partnership with France's Gaztransport & Technigaz (GTT), the global leader in the design and construction of membrane containment systems for maritime transportation and storage of LNG. As the only shipbuilder in Singapore with a license to build GTT's designs, Keppel Singmarine is in pole position to cater to the growing demand for optimised, high quality LNG carriers.

During the year, Keppel Singmarine continued to mechanise its processes by adding an automatic pipe dispenser and conveyor transfer system, a robotic profile cutter and a T-bar robotic welding machine.

In China, Keppel Nantong Shipyard delivered two 45-tonne bollard pull Azimuth Stern Drive (ASD) tugs to Keppel Smit Towage and two 50-tonne bollard pull ASD tugs to Keppel Smit Towage's joint value partner in Malaysia. Its ongoing projects include the Asian Hercules III floating crane, upper hull blocks for Keppel FELS' rigs and a jib for Asian Hercules II. The yard further secured an order from Smit Shipping Singapore for two submersible barges, and will continue to ramp up its capabilities in support of Keppel O&M's operations.

1. The opening of Baku Shipyard enables Keppel to better serve the Caspian region.
2. Keppel O&M invests in automation and process improvements to increase efficiency and productivity.

Global E&P Spending Forecast



Source: Barclays Research

In Brazil, Keppel Singmarine Brasil delivered two 45-tonne bollard pull ASD harbour tugs to Smit Rebras, and is presently completing another two similar units. The yard is concurrently constructing two 4,500 dwt platform supply vessels.

The second phase of the Santa Catarina yard comprising a 10-tonne gantry crane, a warehouse, a steel stock area and an 80-metre panel line was largely completed in 2013. Work continues on the blasting chamber, a 220-metre wharf and a new hull fabrication shop with mobile shelters.

In the Caspian, the first phase of the 62-ha Baku Shipyard was inaugurated by Azerbaijan President Ilham Aliyev in September 2013. Baku Shipyard is the largest and most modern shipbuilding and repair facility in the Caspian.

Soon after the inauguration, Baku Shipyard made its maiden delivery of a 50-tonne bollard pull ASD tug to SOCAR Shipping, which awarded the yard another contract for five crew boats. Baku Shipyard's growing order backlog includes fabricating pontoons and columns for the SOCAR semi being built by CSC and Keppel FELS.

INDUSTRY OUTLOOK

Global E&P capital expenditure is expected to remain robust, increasing 6% year-on-year to reach a record US$723 billion in 2014, according to a Barclays Capital survey. While the oil majors are cutting back on capital spending in the interim, there is room for budgets to grow in the longer-term as reserves, increasingly found in complex and more technologically challenging fields, require investments in higher-specification equipment.

At the same time, the national oil companies' ambitions to push ahead with their drilling programmes should provide support for E&P spending, which would increasingly be channeled towards drilling, evaluation and completion activities.

Prospects for harsh-environment markets including the Norwegian Continental Shelf (NCS) and Russian Arctic remain healthy. Wood Mackenzie expects Norwegian oil production to increase in 2014, for the first time since 2001, ending a long period of decline. The ramping up of new field developments would play a key role in raising the country's oil production levels.

Some 40% of existing NCS-compliant rigs are above 20 years old, signaling an impending need for replacements. The older units, which are costly to overhaul in accordance with the latest requirements, are also increasingly being redeployed for operations in other less-stringent regions. This trend bodes well for the demand for Keppel O&M's range of NCS-compliant rig designs.

Mexico is another bright spot in the offshore and marine industry. The passing of a landmark energy reform bill in December 2013 heralds a potential influx of capital and deepwater expertise from international investors, following years of under-investment in the sector.

This will boost demand for both deepwater and shallow water rigs significantly. Keppel O&M has been supporting the development of Mexico's oil and gas industry over the years, and is well-positioned to capture opportunities via its partnership with PEMEX for a shipyard in Altamira.

While the macro environment continues to be challenging in 2014, the Offshore & Marine Division will remain focused on defending its leadership position by reinforcing its execution prowess, technology leadership and customer relationships. It will also seek new growth areas and invest to enlarge its value propositions to the global oil and gas industry.

DRILLING RIGS

Jackup demand across most regions remains strong, particularly in the Middle East, Mexico, Southeast Asia and India. Pareto Securities expects continued strength in jackup dayrates through 2014, supported by a high global jackup fleet utilisation of 97% and a record fleet backlog. The attrition of jackups, totaling 40 units in the past five years, also points to momentum in the replacement cycle.

The floater market continues to face interim headwinds as international oil companies start to defer their deepwater exploration campaigns to ease near-term cash flow, and while the market gradually absorbs the large number of newbuild deepwater rig deliveries.

Nonetheless, Douglas-Westwood still expects deepwater expenditure to reach US$260 billion between 2014 and 2018, a 130% increase over the preceding five-year period. Africa is forecast to experience the greatest growth in deepwater activities, as East African natural gas developments begin production. Latin America, meanwhile, will remain the largest deepwater market. An anticipated rise in development drilling in the medium term should also encourage demand for floaters.

SIGNIFICANT EVENTS

November

- Keppel FELS won a US$1.1 billion order from Transocean to build five KFELS Super B Class jackups, with options for another five units.
- Keppel FELS secured a US$265 million contract to build a repeat KFELS Super A Class jackup for Ensco.
- The Keppel-NUS Corporate Laboratory, an R&D initiative jointly established by Keppel and the National University of Singapore, was launched by Singapore's Deputy Prime Minister Teo Chee Hean.
- N-KOM in Qatar marked the completion of its 200th project since its opening in 2010.

December

- Keppel Shipyard and Keppel Nantong secured five contracts worth about $150 million in total. These include an FPSO upgrading and refurbishing contract from Bumi Armada, a renewal and equipment overhaul contract from Apache Energy, a turret fabrication contract from EMAS AMC, and contracts to build two submersible barges for Smit Shipping Singapore.

1. N-KOM completed its 200th project in its third year of operations.

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SHIPREPAIR

There is cautious optimism in the shipping industry as analysts forecast an improvement in overall freight rates in 2014. Nonetheless, the shiprepair business environment will remain challenging. Shipyards with a good understanding of market needs and capable of delivering quick and quality turnarounds will be better poised to secure jobs.

PRODUCTION UNITS AND SPECIALISED SHIPS

Long-term prospects for the FPSO conversion segment remain healthy. As at end-2013, International Maritime Associates reported that 234 floating production projects are in various stages of planning. About 55% of these projects involve FPSOs, another 25% liquefaction or regasification floaters and 5% storage/offloading floaters. Modification and redeployment of existing FPSOs are anticipated to satisfy only about 20% of future FPSO requirements. Brazil, Africa and Southeast Asia remain the top deployment areas for production floaters.

The demand for Offshore Support Vessels is well supported by rising offshore drilling activities, and production and decommissioning work. As exploration activities move into deeper waters in places such as Brazil, Africa, Southeast Asia and the North Sea, more construction and subsea support vessels will be required.

NEW GROWTH AREAS

Keppel O&M continues to keep a keen eye on the world's evolving energy landscape and invest in R&D to meet the changing needs of its global customers with cost-effective solutions.

As E&P moves further offshore and more of these fields enter the development phase, there is a need for vessels capable of performing development and completion drilling in addition to exploration drilling. To meet these needs, the Keppel CAN-DO drillship was developed with features such as a large functional deck space to allow for the installation of additional third-party equipment. The CAN-DO drillship also

caters for a double blowout preventer stack to fulfill more stringent safety requirements post-Macondo. Market response to the CAN-DO drillship has been encouraging.

With an increasing number of oil and gas fields nearing their expected depletion date, more vessels capable of maintenance, well-intervention and decommissioning work will be needed by the industry. Seafox 5, a Multi-Purpose Self-Elevating Platform delivered by Keppel FELS in 2012, is an example of a versatile and stable rig which can support a broad range of offshore maintenance and construction services. Keppel O&M's ability to leverage and apply its market knowledge and technology expertise innovatively for a variety of offshore applications puts it in a strong position to capture opportunities in this segment.

Increasing demand for gas, coupled with the requirement for short-to medium-term import solutions, has seen the floating regasification and liquefaction sector experience rapid growth in recent years.

Douglas-Westwood forecasts total expenditure on floating LNG to reach US$64.4 billion by 2020. Liquefaction infrastructure is expected to make up two-thirds of this spending, while import and regasification facilities such as LNG carriers constitute the remaining one-third. FLNG conversions, which Keppel is equipped to perform, present a cost-effective solution with good market potential.

Looking ahead, the Offshore & Marine Division will continue to focus on developing differentiated rig and vessel solutions and services that will add value to the dynamic global oil and gas industry. To fortify its leadership position, Keppel O&M will partner trend-setting customers as well as universities to sharpen its technology know-how for innovative solutions in new offshore frontiers. The launch of the Keppel-NUS Corporate Laboratory to pursue three main research thrusts – Future Systems, Future Yards and Future Resources – is a step forward in Keppel's strategy to secure its position as a global leader in the offshore and marine industry.

2

1. Keppel O&M continues to focus on innovating differentiated rig and vessel solutions to meet the needs of customers.

2. Brazil's first TLWP P-61, is an example of how Keppel continues to provide customer-driven solutions through ongoing technology and process innovation.

INFRASTRUCTURE

We will grow our energy-related infrastructure solutions, as well as logistics and data centre businesses.

Profit Before Tax*

$43m

as compared to FY 2012's $42 million.

Net Loss*

$14m

as compared to FY 2012's net loss of $1 million.

1

MAJOR DEVELOPMENTS IN 2013

- Keppel Energy and Keppel Integrated Engineering were reorganised into Keppel Infrastructure.
- Keppel Merlimau Cogen (KMC) plant's 800MW expansion became fully operational.
- Expanded logistics network with acquisition of third river port, Sanshui Port in China and development of air logistics hub in Singapore.
- Grew portfolio of data centres in Ireland, the Netherlands and Singapore.

FOCUS FOR 2014/2015

- Optimise operational efficiency of existing assets.
- Complete Engineering, Procurement and Construction (EPC) projects in Qatar and the UK.
- Grow expertise in Waste-to-Energy (WTE) technology package development.
- Focus on meeting demand for quality integrated logistics services and data centre space.

EARNINGS REVIEW

Infrastructure Division's revenue increased by $627 million to $3,459 million due to higher revenue contributed by the co-generation power plant in Singapore. Profit before tax increased slightly by $1 million to $43 million as a result of improved performance in its power and gas business and a reversal of provision following the finalisation of the sale of a power barge, offset by losses arising from cost overruns pertaining to the EPC contracts.

To sharpen focus and enhance resource efficiencies, Keppel Energy and Keppel Integrated Engineering were reorganised in May 2013 to become Keppel Infrastructure. The new entity will drive the Group's strategy to invest in, own and operate competitive energy and infrastructure solutions and services.

GAS-TO-POWER

MARKET REVIEW

Singapore's average electricity demand continued to register modest year-on-year growth of 2.8% in 2013, at a similar pace with 2012.

During the year, Keppel's additional generation capacity of 800 megawatt (MW) came on stream in Singapore. The Energy Market Authority also announced a further liberalisation of the retail market in 2014, as well as plans to develop an electricity futures market.

In May 2013, Singapore's Liquefied Natural Gas (LNG) terminal commenced commercial operations marking another significant milestone in the local energy sector.

OPERATING REVIEW

Keppel Infrastructure's Gas-to-Power (GTP) business delivered another year of good results amidst intensifying competition from new entrants and increased supply in the market.

KMC completed its 800MW expansion ahead of schedule and within budget. This brings the total generation capacity of KMC to 1,300MW.

Earnings Highlights ($ million)

	2013	2012	2011
Revenue	**3,459**	2,832	2,863
EBITDA*	**120**	84	155
Operating Profit*	**39**	29	102
Profit before Tax*	**43**	42	120
Net (Loss)/Profit*	**(14)**	(1)	82
Manpower (Number)	**3,358**	4,175	4,552
Manpower Cost	**244**	278	255

Net (Loss)/Profit* ($ million)

* Figures exclude revaluation, major impairment and divestments.

1. The Infrastructure Division seeks to optimise operations to deliver value.

2. KMC's 800MW expansion was completed ahead of schedule.

KMC's expansion will improve efficiency, redundancy as well as allow Keppel Infrastructure to better serve the needs of consumers in Singapore.

In addition, Keppel commenced the first flow of gas from its second gas sales agreement with Petronas in early 2013. Together with the commercial operation of the Singapore LNG terminal in May 2013, these developments mark a new milestone in the enhancement of Singapore's energy security.

BUSINESS OUTLOOK

In 2014, the retail contestability threshold for consumers will be lowered gradually from the current 10,000 kilowatt per hour (kWh) to 8,000 kWh on 1 April, and subsequently to 4,000 kWh on 1 October. With these measures, about 11,000 non-residential consumers will have the choice of

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1. K-Green Trust continually enhances and upgrades its existing assets for better performance.

2. Dr Ong Tiong Guan, CEO of the newly incorporated Keppel Infrastructure, engaging staff in a townhall meeting on the company's strategy and focus.

procuring electricity from retailers, apart from SP Services Limited.

Keen competition is likely to persist in the coming years as additional generation units from both existing power companies and new entrants come into commercial operations.

The implementation of demand response in the electricity market and the anticipated development of an electricity futures market in Singapore will also bring about both opportunities and challenges for the sector.

WASTE-TO-ENERGY & WATER TREATMENT

MARKET REVIEW

Currently, the amount of waste generated per person per day has doubled from the World Bank estimate of 0.64kg a decade ago, and is expected to triple in the next decade. Climate change has also prompted policy makers around the world to seek out alternative energy sources and reduce reliance on non-renewables. Urbanisation issues, the need to protect health with proper sanitation, as well as stricter environmental regulations continue to underpin growth in both WTE and wastewater treatment sectors.

OPERATING REVIEW

Keppel Infrastructure was focused on executing its EPC projects in 2013. In Qatar, physical construction of the Doha North Sewage Treatment Plant is largely completed and testing is underway. The Qatar Domestic Solid Waste Management Works has successfully completed its second year of operations processing some 600,000 tonnes of municipal waste in 2013 while meeting all regulatory requirements.

In the UK, Keppel Seghers started the testing and commissioning of Phase I of the Greater Manchester Energy-from-Waste Plant.

Meanwhile, in Bialystok, Poland, site works by Keppel Seghers' consortium are underway following the award of the Building and Environmental permit.

Over in China, Keppel Seghers has successfully completed two major WTE projects in Shenzhen and Chengdu applying its proprietary technology. The Shenzhen project is currently the largest WTE plant in China with a capacity to treat 4,200 tonnes per day (tpd) of municipal waste daily. In terms of new contracts, two WTE technology supply contracts were secured in Beijing and Yangzhou with a capacity of 1,800 tpd and 610 tpd respectively.

In addition, the joint venture between Keppel and Tianjin Eco-City Investment and Development Co Ltd has successfully secured a 25-year concession agreement from the Eco-City Administrative Committee to build, own and operate a water reclamation plant in the Tianjin Eco-City. The proposed water reclamation plant will include a wastewater effluent polishing unit with the capacity of 100,000m^3 per day and a water recycling facility that will produce 20,000m^3 per day of recycled water. It will upgrade treated wastewater effluent from an existing wastewater treatment plant to meet the most stringent national standards for wastewater discharge, serving the entire Tianjin Eco-City.

BUSINESS OUTLOOK

Governments are compelled to look into sustainable environmental solutions against the backdrop of rapid urbanisation, pollution and climate change issues.

In Singapore, the National Environment Agency is planning for a new WTE facility under the Public Private Partnership scheme. In Southeast Asia as a whole, WTE is gaining acceptance underpinned by attractive Feed-in Tariffs and other government initiatives to promote the development of renewable and sustainable energy.

In China, 208 WTE plants were incorporated into the country's 12th

SIGNIFICANT EVENTS

January

- Securus Fund achieved its second closing at US$170 million.

March

- Securus Fund acquired a 50% stake in Citadel 100, a data centre in Dublin, Ireland.
- Keppel Logistics leased a two-hectare site from JTC Corporation to develop an air logistics hub in Tampines Logistics Park.

April

- Securus Fund acquired its sixth data centre, the Almere Data Centre in Amsterdam, the Netherlands.
- Keppel Data Centres announced plans to develop its third data centre in Singapore.
- Wuhu Sanshan Port (Phase 1) in Anhui Province, China, began operations.

May

- Keppel Energy and Keppel Integrated Engineering were reorganised under a newly incorporated entity, Keppel Infrastructure Holdings.
- Keppel Telecommunications &Transportation (Keppel T&T) commenced work on its Tianjin Eco-City Integrated Logistics Distribution Centre.

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1. Keppel DHCS rolled out energy-efficient initiatives at all its plants to improve cost competitiveness.

2. Building on its repute for quality and reliable logistics and distribution services, Keppel T&T acquired a third port project in China.

Five Year Plan (2011 – 2015), reflecting the new leadership's priority in tackling environmental issues. Meanwhile in Hong Kong, there is a fundamental shift in the way urban waste is managed, driven by a need to sustain development. At the centre of this shift is the plan to build the world's first modern 3,000 tpd WTE facility on a reclaimed island.

WTE is expected to become a key solution for addressing the Middle East's significant renewable energy targets and short-term plans to divert waste from existing landfills.

Keppel Seghers will consider carefully the opportunities in environmental engineering with a focus on the WTE market. Apart from providing technology packages, it will also explore investments in and provide operation and maintenance services for WTE plants.

X-TO-ENERGY

The X-to-Energy division drives Keppel Infrastructure's efforts to seek out efficiencies and new frontiers in the energy sector. It currently comprises the Group's district cooling systems (DCS) business and infrastructure business trust.

MARKET REVIEW

The demand for district cooling services in Singapore remained positive in 2013, continuing its growth rate of 6% per annum since 2010.

Both municipal waste treatment and NEWater requirements showed modest growth.

OPERATING REVIEW

During the year, Keppel DHCS secured a tender to design, build, own and operate a DCS plant for MediaCorp's new campus at Mediapolis@one-north. This new Mediapolis DCS plant is slated for completion in 2Q 2015.

Keppel DHCS also secured a contract to provide DCS services to the Rohde & Schwarz building within the existing service corridor of its DCS plant in Changi Business Park. Keppel DHCS' clientele would expand to include media, communications and information as well as aviation training centres by 2015.

Keppel DHCS continued to roll out its energy efficiency initiatives at all its DCS plants to improve overall cost competitiveness. These initiatives included implementing linear programming to optimise operations as well as retiring inefficient chillers and older equipment.

In August 2013, Keppel DHCS' district heating and cooling plant in Tianjin Eco-City commenced its first supply of heated and chilled water. The plant is equipped with a geothermal technology that extracts renewable energy from the ground which would help to lower the overall carbon footprint of Tianjin Eco-City.

In 2013, KGT completed the installation of a one-megawatt peak solar photovoltaic (PV) system on the rooftops of Keppel Seghers Ulu Pandan NEWater plant as part of its asset enhancement programme to reduce electricity intake from the grid and improve carbon footprint. This is the single largest solar PV installation in Singapore in 2013. Since its commissioning on 18 February 2013, the solar PV has exceeded its performance targets.

BUSINESS OUTLOOK

Keppel DHCS, as part of the new Keppel Infrastructure, seeks to harness synergies from various business units within the group such as Keppel

Electric, a top electricity retailer in the Singapore electricity market, and Keppel FMO, a major facilities management company in Singapore, to provide more comprehensive, value-added services to existing and prospective customers.

Apart from its focus on securing new customers within the service corridors of its three DCS plants in Singapore, Keppel DHCS will expand its offerings to the retail cooling segment. More building owners and developers are looking for cooling solutions that are more energy efficient. Keppel DHCS will be able to bring its expertise to these customers by installing dedicated cooling systems within the customers' premises.

Meanwhile, KGT will continue to pursue enhancement and expansion opportunities for all its three assets. In addition, the Trustee-Manager will seek out suitable acquisitions across Asia Pacific and Europe to boost its portfolio, including Sponsor-developed assets.

LOGISTICS
MARKET REVIEW

The Southeast Asian region performed relatively well in 2013 in spite of subdued growth worldwide, supported by strong domestic demand and rising investments. Plans to build up key infrastructure for logistics and transportation in highways, container ports and logistics parks are underway in the region.

China achieved a modest GDP growth of 7.7% in 2013. With the Central Government's renewed focus on domestic consumption, the country remains committed to develop the infrastructure and logistics sectors, especially in the area of food logistics and food safety. The long-term prospects remain promising.

OPERATING REVIEW

Keppel T&T's Logistics Division continued to achieve high occupancy rates in its logistics facilities in Singapore, Malaysia and Vietnam. To meet rising demand,

SIGNIFICANT EVENTS

June

- Keppel DHCS secured a tender to design, build, own and operate a new DCS plant for MediaCorp's new campus at Mediapolis@one-north, and a contract to provide DCS services to the Rohde & Schwarz building at Changi Business Park.
- KMC plant completed its 800MW-capacity expansion to 1,300 MW.

July

- Keppel Logistcs (Foshan) Limited announced its acquisition of a 60% stake in Sanshui Port, in Foshan City, Guangdong Province, marking Keppel T&T's third river port in China.

August

- Keppel DHCS' district heating and cooling plant in the Tianjin Eco-City commenced services.
- Keppel Seghers secured a contract to provide a technology package for a WTE plant in Gao An Tun, Beijing, China.

September

- Keppel T&T commenced work on the Keppel Wanjiang International Coldchain Logistics Park in Anhui Province, China.

November

- Keppel Seghers secured a contract to provide a technology package for a WTE plant in Yangzhou city, Jiangsu Province, China.

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Keppel Logistics Pte Ltd (Keppel Logistics) renewed its leases for external parties' warehouse facilities at 81 Tuas South Road and 31 Jurong Port Road in 2013 for three and two years respectively.

To diversify into higher-value sectors such as time-critical logistics, Keppel Logistics secured a 2-ha land plot in Tampines Logistics Park from JTC Corporation in 1H 2013. Construction works have started for a new four-storey ramp-up warehouse facility, which is expected to be completed by 1Q 2015. Keppel Logistics' portfolio was further diversified with new customers secured in the offshore and marine, fast moving consumer goods and publication sectors.

Keppel T&T's river port in Wuhu, Anhui Province which began operations in April 2013, handled more than two million tonnes of cargo in 2013. Throughput volume for Lanshi Port in Guangdong Province remained high as well at 237,000 TEUs. During the year, Keppel T&T further strengthened its presence in the Pearl River Delta region with the acquisition of a 60% stake in Foshan Sanshui Port Development Co., Ltd (Sanshui port).

Keppel T&T continued to make headway in the food logistics segment with the ongoing construction of the Sino-Singapore Jilin Food Zone International Logistics Park in Jilin province and Keppel Wanjiang International Coldchain Logistics Park in Anhui Province. The food logistics parks will serve as one-stop centres offering integrated services in warehousing, cold chain logistics, cross-docks, transportation, trading and food safety inspection.

BUSINESS OUTLOOK

Rapid urbanisation and the increasing demand for specialist logistics providers present windows of opportunities. Keppel T&T will continue to focus on its core competencies and grow its presence in Southeast Asia and China.

Southeast Asia is expected to remain on its growth trajectory in tandem with the development of the region's infrastructure and financial institutions. The rate of growth, however, could be uneven across countries impacted by relative levels of political instability. Meanwhile, China's rising domestic consumption, underpinned by increasingly assertive domestic

1. The data centre business is sustained by growing trends in cloud computing, e-commerce and social media.
2. Keppel Wanjiang International Coldchain Logistics Park will provide a one-stop centre for quality food logistics services in Anhui Province.

consumers, is expected to sustain the Chinese economy despite slow growth in the Western economies.

Keppel T&T is poised to ride on growing demand in its key markets for reliable, advanced logistics solutions with a new distribution centre in Tianjin and a food logistics park in Jilin and Anhui Provinces each, as well as through its increased stake of 51% in Indo-Trans Keppel Logistics Vietnam Co. Ltd.

DATA CENTRES

MARKET REVIEW

The global trend for energy efficient, automated and co-location data centres remained strong in 2013, backed by resilient demand from the IT, finance and civil service sectors and robust fundamentals in the generation of big data and proliferation of third party outsourcing and cloud computing.

Sector growth in Europe and Asia Pacific was underpinned by continual requirements for tighter data security, better disaster control and recovery as well as greater systems integration. Meanwhile, Singapore's data centre players such as Equinix, SingTel and Digital Realty Trust heightened their expansion, acquisition and development activities during the year.

OPERATING REVIEW

Keppel T&T's data centres continued to operate at near full occupancy. To enjoy greater economies of scale as well as cater for clients' expansion needs, Keppel Data Centres Holding Pte Ltd announced the development of its third data centre in Singapore, Keppel Datahub 2 in April 2013.

Besides development work, the data centre division also focused on enhancing its assets during the year. Keppel Data Centre Facility Management in particular, supported the second and final phase expansion of the Gore Hill Data Centre in Sydney, Australia.

Through Securus Data Property Fund, Keppel T&T acquired the remaining 50% stake in Citadel 100 in Dublin, Ireland as well as a 100% stake in Almere Data Centre in Amsterdam, the Netherlands. With these latest additions, the Fund now holds a diversified portfolio of six high quality assets spread across Europe and Asia Pacific.

BUSINESS OUTLOOK

The continued growth of the Internet and use of mobile devices is expected to fuel demand for data centre space. Moreover, the increasing popularity of cloud computing is likely to spur demand for complementary services such as co-location in which Keppel T&T specialises.

These trends present opportunities for Keppel T&T's data centre business to grow in Asia, Europe and Middle East. The company will continue to adopt innovative energy-efficient solutions in its operations, and develop or acquire high quality data centres that meet industry standards for availability, sustainability and security.

PROPERTY

We are committed to provide urban living solutions through property development and property fund management.

Profit Before Tax*

$853m

as compared to FY 2012's $1,276 million.

Net Profit*

$442m

as compared to FY 2012's $784 million.

1

MAJOR DEVELOPMENTS IN 2013

- Invested over $1 billion in selective acquisitions in core markets of Singapore and China.
- Sold more than 4,400 homes, mostly in China and Singapore.
- Formed strategic alliance with China Vanke.
- Divested 51% stake in Jakarta Garden City to recycle capital.
- Grew assets under management by Keppel REIT and Alpha Investment Partners (Alpha) to $17.7 billion.

FOCUS FOR 2014/2015

- Focus on Singapore, China, Indonesia and Vietnam.
- Expand commercial portfolio overseas.
- Scale up in high-growth cities and invest opportunistically in growth markets.
- Recycle capital actively for higher returns.
- Grow fee income from fund management.

EARNINGS REVIEW

Revenue from the Property Division of $1,768 million was $1,250 million below that of the previous year mainly from decline in sales recognition of Reflections at Keppel Bay units arising from the deliveries of residential units sold under the deferred payment scheme in 2012 which was not repeated in 2013.

Pre-tax profit dropped by 33% to $853 million in the current year. This reduction was partially offset by higher contribution of profit from China and gains from the sale of the Jakarta Garden City project. With net profit at $442 million, the Division contributed 31% to Group's overall earnings.

MARKET REVIEW

The Singapore economy registered a 4.1% growth in GDP for 2013, higher than the 1.9% growth in 2012.

The Singapore residential market was affected by the Total Debt Servicing Ratio (TDSR) restriction and the Additional Buyer's Stamp Duty (ABSD) introduced in the year. Demand for new homes fell to about 14,948 units in 2013. Price growth has also eased, increasing by about 1.1% in 2013, compared with 2.8% in 2012.

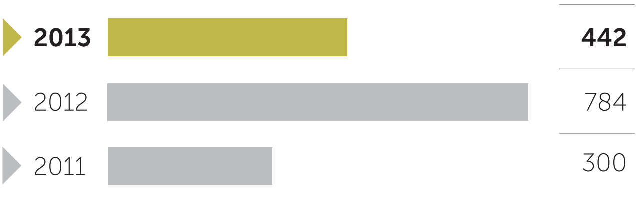
The office market saw healthy demand with islandwide take-up of 2.1 million sf in 2013, an increase of 61% from 1.3 million sf in 2012. Grade A rents grew 2.1% to $9.75 psf in the fourth quarter of 2013, after holding at $9.55 psf for three consecutive quarters.

In China, the economy grew a modest 7.7% in 2013. The property market saw robust take-up in 2013, driven by pent-up demand. The Indonesian economy expanded 5.8% in 2013, moderated from the 6.2% growth in 2012.

Earnings Highlights ($ million)

	2013	2012	2011
Revenue	**1,768**	3,018	1,467
EBITDA*	**690**	1,178	472
Operating Profit*	**666**	1,157	457
Profit before Tax*	**853**	1,276	582
Net Profit*	**442**	784	300
Manpower (Number)	**4,321**	4,280	3,210
Manpower Cost	**158**	126	136

Net Profit* ($ million)



* Figures exclude revaluation, major impairment and divestments.

1. With quality design and comprehensive amenities, Park Avenue Heights in Chengdu was positively received by the market.
2. Marina Bay Financial Centre was opened in grand ceremony by Singapore's Prime Minister Lee Hsien Loong on 15 May 2013.

The residential market saw continued growth in take-up rates and prices.

The office market remained steady with active leasing interests. Supported by strong demand coupled with limited new supply, Grade A rents continued to increase in 2013, driven mainly by new developments in the prime Sudirman area, according to Jones Lang LaSalle.

Vietnam has shown signs of economic recovery. GDP growth increased slightly to 5.4% in 2013 compared with 5.0% in 2012. Home buying sentiments are improving as interest rates fall. Developers have also introduced flexible payment terms and promotions to attract buyers.

2

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The retail sector remains resilient with active take-up from food and beverage groups and international brands.

OPERATING REVIEW
SINGAPORE
Keppel Land sold 370 homes in 2013, mostly from Corals at Keppel Bay and The Glades which were launched during the year. Sales in Singapore were lower compared to the 430 units sold in 2012, as take-up was affected by the TDSR restrictions on mortgages and the ABSD. During the year, the company acquired a CBD-fringe site close to the Tiong Bahru MRT station for the development of about 500 homes.

Commitment at Marina Bay Financial Centre (MBFC) Tower 3 increased to 95% as at end-December 2013.

OVERSEAS
Keppel Land sold 3,870 units in China in 2013, more than double the 1,650 units sold in 2012. The year saw strong sales from The Springdale in Shanghai, The Botanica in Chengdu and Stamford City in Jiangyin.

Riding on strong pent-up demand, Keppel Land China launched new projects and phases. The launch of two new blocks at 8 Park Avenue and Seasons Residence in Shanghai, Park Avenue Heights in Chengdu and Stamford City Phase 3 in Jiangyin saw good take-up.

With the limited supply of landed homes, Keppel Land China seized opportunities to acquire two residential sites in Shanghai and Tianjin Eco-City. Together, these sites will yield about 550 homes targeted at affluent buyers.

To deepen its presence in China, Keppel Land has formed a strategic alliance with the country's largest residential developer, China Vanke, to tap on the developer's vast network in its home market.

In line with its strategy to grow its commercial portfolio overseas, Keppel Land China and Alpha jointly acquired a stake in a completed retail mall, Life Hub @ Jinqiao in Shanghai. It also plans to develop Park Avenue Central in Shanghai into a retail-cum-office development.

Keppel Land is also developing International Financial Centre Jakarta Tower 2 in Indonesia, a Grade A office development in the CBD, as well as Saigon Centre Phase 2 in Vietnam, located along Ho Chi Minh City's main thoroughfare, Le Loi Boulevard.

In Indonesia, Keppel Land sold its stakes in the Jakarta Garden City residential township and

1. Corals at Keppel Bay achieved good take-up in 2013.

2. The Group expanded its commercial portfolio in Shanghai with the acquisition of a stake in a retail mall Life Hub @ Jinqiao.

SIGNIFICANT EVENTS

January
- Mr Ang Wee Gee succeeded Mr Kevin Wong as CEO of Keppel Land.

February
- Keppel Land China and Alpha jointly acquired Life Hub @ Jinqiao, a retail mall in Shanghai.

April
- Keppel Land and China Vanke entered into a strategic partnership to jointly develop properties in Singapore and China, the first being The Glades at Singapore's Tanah Merah in which Vanke acquired a 30% stake.
- Keppel Land acquired a prime residential site in Tiong Bahru for the development of about 500 homes.

May
- Marina Bay Financial Centre was officially opened by Singapore's Prime Minister Lee Hsien Loong on 15 May 2013.

June
- A new brand philosophy for Keppel Land, 'Thinking Unboxed', was unveiled and exemplifies its drive for innovation to continually deliver quality products and services.
- Keppel Land China acquired a prime 17.5-ha residential site in Shanghai's Sheshan area to develop about 200 landed homes.
- Keppel REIT acquired a 50% stake in 8 Exhibition Street, a premium freehold building, in the CBD of Melbourne, Australia.

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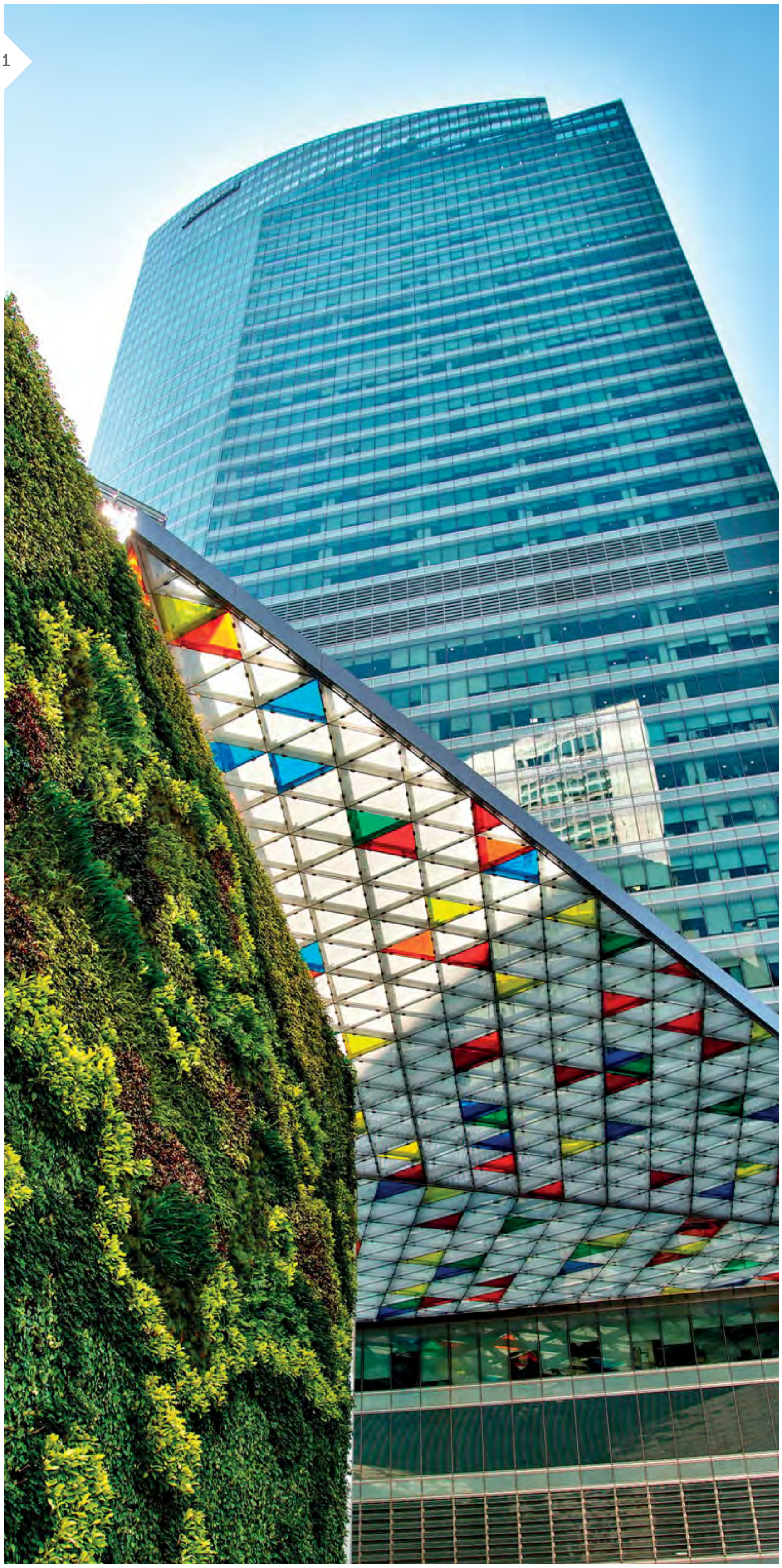


Hotel Sedona Manado. The net proceeds from these divestments will be reinvested in Indonesia, with a focus on Jakarta. In January 2014, the company acquired a site along Jakarta's Outer Ring Road for the development of more than 1,200 homes.

In Vietnam, 170 units were sold at the Group's residential development, The Estella, in Ho Chi Minh City, as buying sentiments improved.

FUND MANAGEMENT

Assets under management by Keppel REIT and Alpha grew 16% to $17.7 billion as at end-2013.

Keppel REIT, which has a pan-Asian mandate, further expanded its footprint in Australia with the acquisition of 8 Exhibition Street in Melbourne and a new office tower to be built on the Old Treasury Building site in Perth. Keppel REIT has achieved full occupancy for all its properties in Singapore.

The REIT's liquidity has improved with a larger free float of 55%, up from 24%, following Keppel Corporation's divestment of its stake and distribution *in specie*, as well as the placement of new units.

Alpha's follow-on fund, Alpha Asia Macro Trends Fund II, achieved a final closing of US$1.65 billion. The fund has made several acquisitions in Singapore, China and Taiwan. Alpha also divested several assets in Singapore, Seoul, Tokyo and Bangkok held by its other funds.

BUSINESS OUTLOOK

SINGAPORE

The residential market is expected to remain challenging in 2014, with the continued impact of the TDSR and ABSD. However, the cut-back in government land sales may help to stabilise the market. Keppel Land will monitor the market for the launch of its Tiong Bahru project in the first half of 2014.

The pipeline of new office supply in the next two years is limited with only one new Grade A development of about 700,000 sf expected to be completed. CBRE expects office rents to strengthen in 2014 and 2015, led by the Grade A market. The Group will continue to seek good tenants for its remaining space at MBFC Tower 3.

OVERSEAS

Demand for quality homes in Asia will continue to be supported by economic wealth, urbanisation and a rising middle class. The property tightening measures will prevent the formation of property bubbles and allow for sustainable growth of the residential markets.

Keppel Land China will monitor the market to launch new projects such as Waterfront Residence in Nantong and Hill Crest Villa in Chengdu.

In Indonesia, the mid- to high-end residential market is expected to remain stable and the demand for Grade A office should see further growth supported by the country's positive economic performance. The Group has commenced leasing for International Financial Centre Jakarta Tower 2.

In Vietnam, Grade A rents are expected to hold steady on limited supply in the CBD.

FUND MANAGEMENT

Keppel REIT's strong portfolio occupancy will continue to provide good returns. The REIT will focus on retaining strong tenants and pursuing selective income-accretive acquisitions to grow its earnings.

Alpha will continue to leverage its local network and disciplined investment approach as well as develop innovative management and enhancement strategies to deliver risk-adjusted returns for its investors. Outside Asia, Alpha will seek to expand its footprint to capitalise on new trends if the opportunity arises.

SIGNIFICANT EVENTS

October

- Work commenced on Phase 2 of Sedona Hotel Yangon.
- Keppel Land China acquired a 10.4-ha prime residential site in Tianjin Eco-City to develop 346 low-rise homes.
- 8 Chifley Square, a Keppel REIT-Mirvac property in Sydney, was officially opened.

November

- Keppel Land completed the divestment of its stake in Jakarta Garden City, enabling the company to pursue other opportunities in Indonesia, with a focus on Jakarta.

December

- With Ocean Financial Centre achieving full occupancy, all of Keppel REIT's Singapore properties have attained 100% occupancy.

1. In addition to achieving full occupancy, Ocean Financial Centre set the Guinness World Record for having the World's Largest Vertical Garden.

2. 8 Chifley Square is Australia's first commercial building with a vertical "village" concept that offers contiguous, inter-connected office spaces.


2

LOOKING AHEAD

Keppel Land will continue to focus on its core markets of Singapore and China as well as strengthen its presence in growth markets of Indonesia and Vietnam.

It will also invest opportunistically in markets with good growth potential such as Myanmar and Sri Lanka, where the company has a first-mover advantage.

Keppel Land will undertake a disciplined and proactive approach in the divestment of its assets to achieve higher returns.

Riding on its reputable brand name and experience as a premier office developer in Singapore, Keppel Land will also continue to seek prime sites to expand its commercial portfolio overseas.

1. Keppel Land will expand its commercial portfolio overseas with prime mixed developments such as Seasons City in Tianjin Eco-City (depicted here in an artist's impression).

2. ESM Goh Chok Tong (third from right) and Tianjin Vice Mayor Zong Guoying (second from right) accompanied by Dr Lee Boon Yang (fourth from right), Chairman of Keppel Corporation, were briefed on the progress in Tianjin Eco-City.

Tianjin Eco-City

Into its fifth year of progress, the Sino-Singapore Tianjin Eco-City (Tianjin Eco-City) has been steadily transformed into a modern eco-township with offices, commercial hubs, schools and other amenities.

Today, the Tianjin Eco-City is home to about 10,000 residents and has attracted more than 1,000 registered companies with over RMB700 million in registered capital. About 60 Singaporean companies have participated in the development of the city, with a total investment of US$850 million to-date.

Keppel leads the Singapore consortium, and works in tandem with its Chinese partners to guide our 50-50 joint venture - the Sino-Singapore Tianjin Eco-City Investment and Development Co. (SSTEC) in its role as the master developer of the Tianjin Eco-City.

The property market in the Tianjin Eco-City saw some improvement in 2013. As at end-December, more than 3,600 homes were sold in the Tianjin Eco-City, of which 1,560 were from projects under SSTEC.

SSTEC's Eco-Business Park also welcomed its first tenants in 2013. Significantly, the Low Carbon Living Laboratory (LCLL) was completed and awarded Green Mark Platinum status by Singapore's Building and Construction Authority (BCA).

Top leaders including Chinese President Xi Jinping, as well as Singapore's Emeritus Senior Minister Goh Chok Tong, and Minister for National Development Khaw Boon Wan visited the Tianjin Eco-City in 2013 and recognised the project's progress and achievements.

KEPPEL'S BUSINESSES IN THE ECO-CITY

Keppel continued to invest and participate in the growth of Tianjin Eco-City through its property and infrastructure divisions.

As at end-February 2014, about 84% of 1,105 launched units in Keppel's Seasons Park have been sold. Seasons Garden, comprising 1,190 apartments, was launched in November 2013. 16 units have been sold as at end-February 2014.

Seasons City, also known as the commercial sub-centre, will comprise three office towers and retail premises with GFA of about 162,000 sm. Phase 1 will feature an office tower and a retail complex, with GFA of 20,000 sm each. Construction has commenced and is targeted for completion in 2017.

In 2013, Keppel Land acquired a 10.4-ha prime residential site in the Start-Up Area to develop 346 low-rise homes. Meanwhile, Keppel's newly refurbished golf course in the Tianjin Eco-City has opened its doors for play.

In the Eco-Business Park, Keppel's district heating and cooling system plant has commenced commercial operations. Over at the Eco-Industrial Park, construction has commenced on Keppel T&T's logistics distribution centre, which will be completed in 2014.

Keppel FMO signed an agreement to partner SSTEC in the areas of sustainable facilities management and eco-maintenance services.

2

We are focused on delivering value to shareholders and seeking growth opportunities.

INVESTMENTS

Profit Before Tax*

$80m

as compared to FY 2012's $196 million.

Net Profit*

$54m

as compared to FY 2012's $194 million.

1

MAJOR DEVELOPMENTS IN 2013

- k1 Ventures' sale of interest in McMoRan Exploration Company (MMR) contributed to the dividend distribution of 3.0 cents per share.
- KrisEnergy was listed on the Singapore Exchange on 19 July 2013.
- M1 became the first telecommunications operator in Singapore to offer 4G prepaid broadband service.

FOCUS FOR 2014/2015

- k1 Ventures will manage its investment portfolio to maximise shareholder value, and distribute excess cash as investments are monetised.
- KrisEnergy will seek acquisitions in countries and basins where it has extensive knowledge and experience.
- M1 will strengthen its position by improving on customer experience and providing value-added services.

EARNINGS REVIEW

Pre-tax earnings from the Investments Division decreased by $116 million to $80 million for the year mainly due to fewer disposals of equity investments in 2013. Net profit was $54 million compared to $194 million for the previous year.

K1 VENTURES

k1 Ventures (k1) is an investment company invested across targeted sectors including transportation leasing, education, financial services and automotive retail.

For the financial year ended 30 June 2013, k1 reported revenue of $168.0 million compared to $78.7 million in the prior year.

Operating profit was $71.2 million compared to a loss of $58.7 million in the prior year, and profit before tax was $69.1 million compared to a loss of $60.6 million in the prior year. The improvement in profit before tax was due to the sale of MMR for $29.8 million, investment income of $27.7 million from Knowledge Universe Holdings LLC (KUH) and the absence of impairment losses at its transportation leasing business, Helm Holding Corporation (Helm) which was present in the prior year. Net profit attributable to shareholders was $54.6 million compared to $11.9 million in the prior year.

For 2013, k1 paid total dividends of 3.0 cents per share to shareholders, increasing cumulative distributions to shareholders to 26.3 cents per share or more than $540 million since 2005.

On 21 February 2014, k1 entered into an agreement for the sale of its 80.1% stake in Helm to Wells Fargo Bank for approximately US$152 million. The transaction is expected to be completed during the second quarter of 2014. The closing is subject to regulatory approval and other customary conditions.

k1's investment in Guggenheim Capital continued to perform as expected, with a delivery of a 7% annual dividend from the Preferred Units. Knowledge Universe Holdings' global education

Earnings Highlights ($ million)

	2013	2012	2011
Revenue	**27**	152	46
EBITDA*	**25**	134	20
Operating Profit*	**25**	133	20
Profit before Tax*	**80**	196	58
Net Profit*	**54**	194	45
Manpower (Number)	**198**	170	155
Manpower Cost	**93**	95	93

Net Profit* ($ million)

2013	**54**
2012	194
2011	45

* Figures exclude revaluation, major impairment and divestments.

1. M1 recorded strong performance driven by a growing customer base and higher revenue from mobile data.
2. Keppel increased its stake in KrisEnergy to 31.4% in 2013.

business, KUE, also performed well. In October 2013, KUE completed the sale of Busy Bees Holdings Limited (UK) for a total consideration of approximately £242 million. In addition, the Canadian International School in Singapore had achieved increased student enrollment.

China Grand Auto, k1's investment in automotive retail, had abandoned its planned initial public offering on the Shanghai Stock Exchange, and had instead decided to pursue a listing in Hong Kong.

KRISENERGY

KrisEnergy is an independent upstream oil and gas company with a portfolio stretching from the Surma Basin in Bangladesh in the west to the Papuan Basin in the east, and from offshore southern China in the north to Indonesia in the south. It was listed on the Singapore Exchange on 19 July 2013.

As at 31 December 2013, KrisEnergy held interests in 16 assets, eight as operator, in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam. Net production amounted to about 7,000 barrels of oil per day from the Bangora gas field onshore Bangladesh and two oil and gas producing blocks in the Gulf of Thailand.

In 2014, KrisEnergy will proceed with the drilling of up to 13 exploration and appraisal wells, development wells, as well as the construction and installation of up to three platforms. There are also plans to acquire five 2D and 3D seismic surveys.

M1

M1, a leading integrated telecommunications provider in Singapore, is 20% owned by Keppel Telecommunications and Transportation. Net profit after tax increased 9.4% to $160.2 million. The company's overall mobile market share was stable at 25.1% with 2.11 million mobile customers and its fibre customer base grew by over 63% to 85,000 customers.

In 2013, M1 became the first telecommunications operator in Singapore to offer 4G prepaid broadband service. To deliver a better customer experience, it embarked on a network enhancement programme and rolled out a 3G radio network on a 900MHz spectrum.

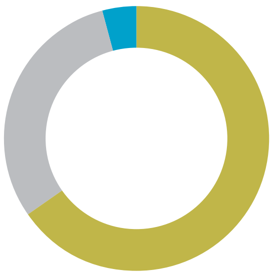
FINANCIAL REVIEW & OUTLOOK

We will build on our core strengths, focusing on execution excellence and technology innovation to enhance our value proposition.

Revenue by Segments 2013

	%
Offshore & Marine	58
Infrastructure	28
Property	14
Investments	–
Total	**100**

Net Profit by Segments 2013



	%
Offshore & Marine	66
Infrastructure	(1)
Property	31
Investments	4
Total	**100**

1. Financial prudence and strategic capital recycling enable the Group to maximise value for shareholders.

PROSPECTS

The Offshore & Marine Division secured about $7 billion worth of orders in 2013, bringing its net orderbook to a record high of $14.2 billion at year-end with deliveries extending into 2019. The Division continues to be optimistic about job prospects as demand for rigs and Floating Production Storage and Offloading units remain healthy.

In the Infrastructure Division, Keppel Infrastructure continues to focus on its power and gas, environmental and energy efficiency businesses. The expanded capacity of the Keppel Merlimau Cogen plant will allow Keppel Infrastructure to enhance its domestic presence.

At the same time, the Infrastructure Division endeavours to complete its ongoing Engineering, Procurement and Construction projects efficiently.

Keppel Telecommunications & Transportation continues to grow both its logistics business and data centre portfolio locally and in overseas markets.

In 2013, the Property Division sold about 370 residential units in Singapore primarily from The Glades at Tanah Merah, Corals at Keppel Bay and The Luxurie in Sengkang. Marina Bay Financial Centre Tower 3 was about 95% committed as at end-2013. In China, the Division sold about 3,870 residential units, more than double 2012's.

The fund management business continues to grow with total assets under management by Keppel REIT and Alpha Investment Partners as at end-2013 increasing to $17.7 billion as compared to $15.3 billion in the preceding period. The Property Division intends to maintain focus on its key markets of Singapore, China, Indonesia and Vietnam.

The Group will build on its core strengths and continue to focus on execution excellence, timely deliveries and technology innovation amidst a challenging environment.

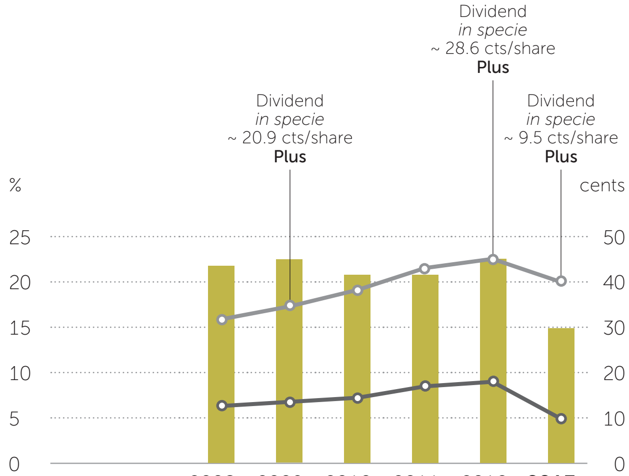
SHAREHOLDER RETURNS
Return On Equity (ROE) declined to 14.9% mainly as a result of the lower net profit.

The Company will be making a total distribution of 49.5 cents per share for 2013. This comprises a final proposed dividend of 30.0 cents per share, the special dividend *in specie* of eight Keppel REIT units for every 100 shares held in the Company (equivalent to 9.5 cents per share) and the interim dividend of 10.0 cents per share distributed in the third quarter of 2013. Total distribution for 2013 represents 63% of Group net profit before revaluation, major impairment and divestments of $1,412 million. This is equivalent to a gross yield of 4.4% on the Company's last transacted share price as at 31 December 2013.

ECONOMIC VALUE ADDED (EVA)
In 2013, EVA excluding major impairment and divestments decreased by $436 million to $939 million. This was attributable to lower operating profit and higher capital charge.

Capital charge rose by $123 million as a result of higher Average EVA Capital, partially offset by lower Weighted Average Cost of Capital (WACC). Average EVA Capital increased by $2.22 billion from $16.71 billion to $18.93 billion. WACC decreased from 6.06% to 6.00% mainly due to a decrease in the risk-free rate.

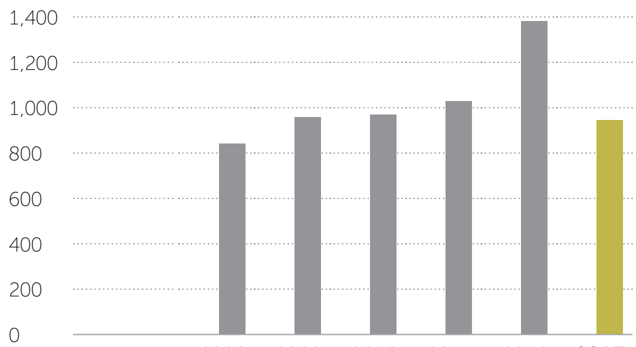
ROE & Dividend



	2008	2009	2010	2011	2012	**2013**
ROE	21.8	22.5	20.8	20.8	22.6	**14.9**
Full-Year Dividend	31.8	34.6	38.2	43.0	45.0	**40.0**
Interim Dividend	12.7	13.6	14.5	17.0	18.0	**10.0**

Note: ROE excludes revaluation, major impairment and divestments.

EVA ($ million)



2008	2009	2010	2011	2012	**2013**
837	953	964	1,024	1,375	**939**

Note: Figures exclude revaluation, major impairment and divestments.

EVA

	2013 million	13 vs 12 +/(-)	2012 million	12 vs 11 +/(-)	2011 million
Profit after tax and major impairment and divestments (Note 1)	**1,975**	-278	2,253	+706	1,547
Adjustment for:					
Interest expense	**164**	-16	180	+60	120
Interest expense on non-capitalised leases	**16**	–	16	-3	19
Tax effect on interest expense adjustments (Note 2)	**(25)**	+4	(29)	-7	(22)
Provisions, deferred tax, amortisation and other adjustments	**148**	+125	23	+3	20
Net Operating Profit After Tax (NOPAT)	**2,278**	-165	2,443	+759	1,684
Average EVA Capital Employed (Note 3)	**18,934**	+2,223	16,711	+4,251	12,460
Weighted Average Cost of Capital (Note 4)	**6.00%**	-0.06%	6.06%	-0.73%	6.79%
Capital Charge	**(1,136)**	-123	(1,013)	-167	(846)
Economic Value Added	**1,142**	-288	1,430	+592	838
Comprising:					
EVA excluding major impairment and divestments	***939***	*-436*	*1,375*	*+351*	*1,024*
EVA of major impairment and divestments	***203***	*+148*	*55*	*+241*	*(186)*
	1,142	*-288*	*1,430*	*+592*	*838*

Notes:
1. Profit after tax and major impairment and divestments excludes net revaluation gain on investment properties.
2. The reported current tax is adjusted for statutory tax impact on interest expenses.
3. Average EVA Capital Employed is derived from the quarterly averages of net assets plus interest-bearing liabilities, provision and present value of operating leases.
4. WACC is calculated in accordance with the Keppel Group EVA Policy as follows:
   (a) Cost of Equity using Capital Asset Pricing Model with market risk premium set at 6% (2012: 6%);
   (b) Risk-free rate of 1.3224% (2012: 1.6780%) based on yield-to-maturity of Singapore Government 10-year Bonds;
   (c) Unlevered beta at 0.83 (2012: 0.79); and
   (d) Pre-tax Cost of Debt at 0.89% (2012: 1.90%) using 5-year Singapore Dollar Swap Offer Rate plus 80 basis points (2012: 55 basis points).

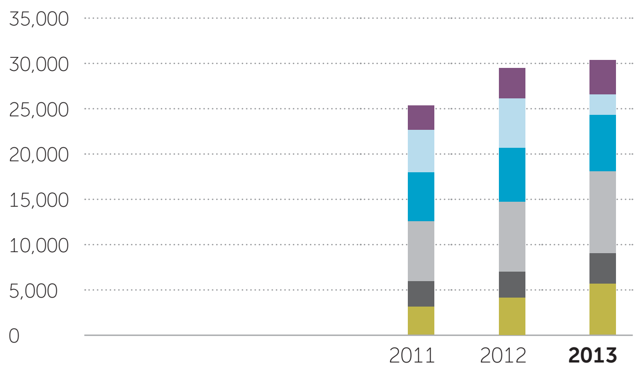
The Group has been registering positive EVA since 2004 which reflects its commitment to maximise shareholders' value through the effective and efficient management of resources.

FINANCIAL POSITION

Group shareholders' funds increased from $9.25 billion as at 31 December 2012 to $9.70 billion as at 31 December 2013. The increase was mainly attributable to retained profits for 2013 and foreign exchange translation gains, partially offset by fair value loss on cash flow hedges, payment of final dividend and distribution of dividend *in specie* of Keppel REIT units for 2012, as well as payment of interim dividend and distribution of dividend *in specie* of Keppel REIT units for the half year ended 30 June 2013.

Group total assets of $30.06 billion as at 31 December 2013 were $0.85 billion or 2.9% higher than the previous year end's. The increase in fixed assets was

Total Assets Owned ($ million)

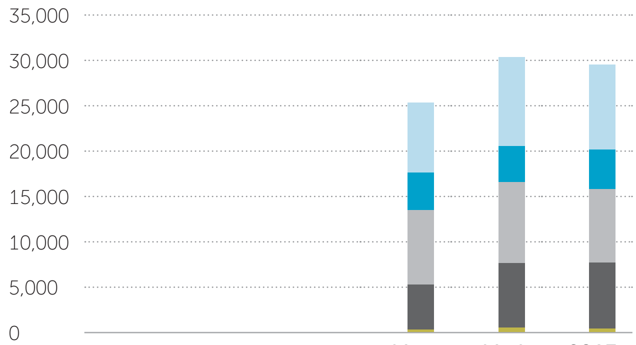


	2011	2012	2013
Fixed assets	2,716	3,337	**3,798**
Properties	4,610	5,423	**2,188**
Investments	5,350	5,909	**6,192**
Stocks & work-in-progress	6,605	7,661	**8,995**
Debtors & others	2,797	2,822	**3,318**
Bank balances, deposits & cash	3,021	4,055	**5,565**
Total	25,099	29,207	**30,056**

largely due to capital expenditure for the expansion of Keppel Merlimau Cogen plant, acquisition of an industrial building by the Infrastructure Division for the development of a new data centre and other operational capex. Deconsolidation of Keppel REIT due to loss of control caused a reduction in investment properties. Higher stocks & work-in-progress were due to land acquisition costs and development expenditure incurred for projects in the Property Division, partly offset by lower work-in-progress in the Offshore & Marine Division.

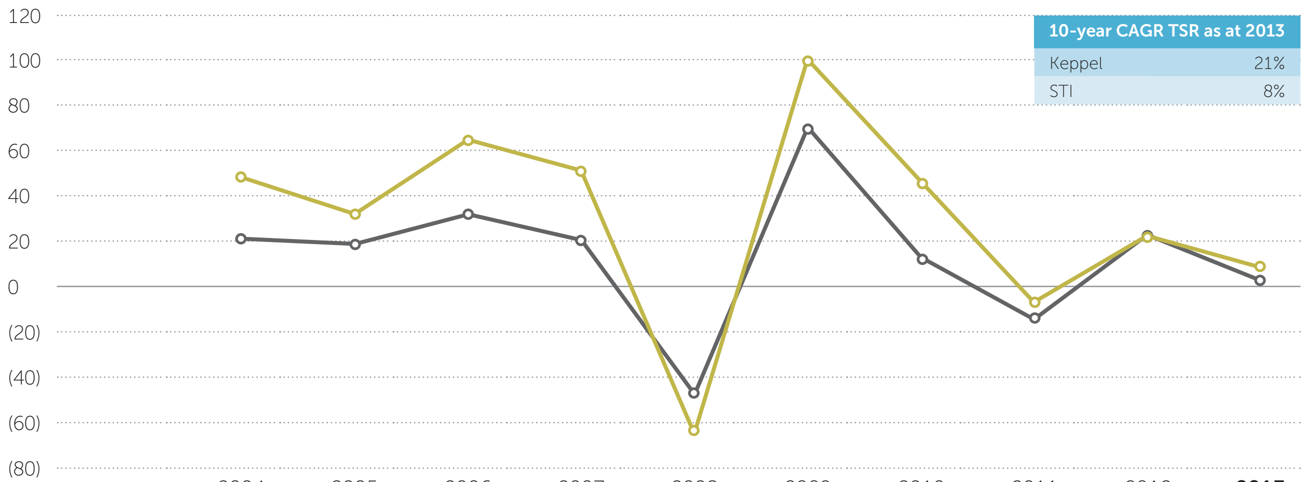
Group total liabilities were $16.37 billion at 31 December 2013 as compared to $15.63 billion as at 31 December 2012. The lower level of term loans was mainly a result of the deconsolidation of Keppel REIT, partly offset by additional bank borrowings taken up for working capital requirements, operational capital expenditure and acquisitions. The decrease in creditors was attributable mainly to deconsolidation of Keppel REIT partially offset by the purchase consideration payable in relation to the acquisition of a residential site in Sheshan area in Shanghai by the Property Division.

Total Liabilities Owed & Capital Invested ($ million)



	2011	2012	**2013**
Shareholders' funds	7,699	9,246	**9,701**
Non-controlling interests	4,062	4,332	**3,988**
Creditors	8,194	8,059	**8,825**
Term loans & bank overdrafts	4,877	7,208	**7,100**
Other liabilities	267	362	**442**
Total	25,099	29,207	**30,056**

Total Shareholder Return (%)



	2004	2005	2006	2007	2008	2009	2010	2011	2012	**2013**
Keppel	48.7	32.5	65.3	51.7	(64.4)	100.8	47.0	(6.4)	22.9	**9.0**
STI	21.6	19.3	32.4	21.0	(47.1)	70.8	13.4	(14.0)	23.3	**3.2**

Source: Bloomberg

Note:
Keppel Corporation's Compounded Annual Growth Rate (CAGR) TSR of 21% over the past ten years is significantly higher than STI's CAGR TSR of 8%.

Group net debt of $1.54 billion is $1.61 billion lower than that as at 31 December 2012 due mainly to the deconsolidation of Keppel REIT, partly offset by capital expenditure, investments in associated companies and dividend payments.

TOTAL SHAREHOLDER RETURN (TSR)
Keppel is committed to deliver value to shareholders through earnings growth. Towards achieving this, the Group will build on its core strengths and continue to focus on execution excellence, timely deliveries and technology innovation.

The Company's 2013 Total Shareholder Return (TSR) of 9.0% was 5.8 percentage points above the benchmark Straits Times Index's (STI) TSR of 3.2%. Over the past ten years, its Compounded Annual Growth Rate (CAGR) TSR of 21% was also significantly higher than STI's CAGR TSR of 8%.

FREE CASH FLOW
To better reflect its operational free cash flow, the Group had excluded expansionary acquisitions (e.g. investment properties) and capital expenditure (e.g. expansion of the co-generation power plant), meant for long-term growth for the Group, and major divestments from its free cash flow.

Net cash from operating activities dropped 38% to $625 million for 2013 as compared to $1,006 million for 2012. This was due mainly to higher operational activities in the prior year.

After excluding expansionary acquisitions and capital expenditure, and major divestments, net cash from investment activities was $17 million. The Group spent $489 million on investments and operational capital expenditure, mainly from the Offshore & Marine Division. After taking into account proceeds from divestments and dividend income of $506 million, the resulting free cash inflow was $642 million.

Total distribution to shareholders of the Company and non-controlling shareholders of subsidiaries for the year amounted to $843 million.

FINANCIAL RISK MANAGEMENT
The Group operates internationally and is exposed to a variety of financial risks, comprising market (currency, interest rate and price), credit and liquidity risks. Financial risk management is carried out by the Keppel Group Treasury Department in accordance with established policies and guidelines.

These policies and guidelines are established by the Group Central Finance Committee and are updated to take into account changes in the operating environment. This committee is chaired by the Chief Financial Officer of the Company and includes Chief Financial Officers of the Group's key operating companies and Head Office specialists.

The Group's financial risk management is discussed in more detail in the notes to the financial statements. In summary:

- The Group has receivables and payables denominated in foreign currencies viz US dollars, European and other Asian currencies. Foreign currency exposures arise mainly from the exchange rate movement of these foreign currencies against Singapore dollar, which is the Group's measurement currency. The Group utilises forward foreign currency contracts to hedge its exposure to specific currency risks relating to receivables and payables. The bulk of these forward foreign currency contracts are entered into to hedge any excess US dollars arising from Offshore & Marine contracts based on the expected timing of receipts. The Group does not engage in foreign currency trading.

- The Group hedges against price fluctuations arising on purchase of natural gas. Exposure is managed via fuel oil forward

Free Cash Flow

	2013 million	13 vs 12 +/(-)	2012 million	12 vs 11 +/(-)	2011 million
Operating profit	**1,774**	-622	2,396	+499	1,897
Depreciation, amortisation & other non-cash items	**144**	-100	244	+11	233
Cash flow provided by operations before changes in working capital	**1,918**	-722	2,640	+510	2,130
Working capital changes	**(733)**	+715	(1,448)	+583	(2,031)
Interest receipt and payment & tax paid	**(560)**	-374	(186)	+137	(323)
Net cash from/(used in) operating activities	**625**	-381	1,006	+1,230	(224)
Investments & capital expenditure	**(489)**	+85	(574)	-252	(322)
Divestments & dividend income	**506**	+313	193	-56	249
Net cash from/(used in) investing activities	**17**	+398	(381)	-308	(73)
Free Cash Flow*	**642**	+17	625	+922	(297)
Dividend paid to shareholders of the Company & subsidiaries	***(843)***	*+158*	*(1,001)*	*-119*	*(882)*

* Free cash flow excludes expansionary acquisitions and capex, and major divestments.

contracts, whereby the price of natural gas is indexed to a benchmark fuel price indices, High Sulphur Fuel Oil (HSFO) 180-CST and Dated Brent.

- The Group maintains a mix of fixed and variable rate debt/loan instruments with varying maturities. Where necessary, the Group uses derivative financial instruments to hedge interest rate risks. This may include interest rate swaps and interest rate caps.

- The Group maintains flexibility in funding by ensuring that ample working capital lines are available at any one time.

- The Group adopts stringent procedures on extending credit terms to customers and the monitoring of credit risk.

BORROWINGS

The Group borrows from local and foreign banks in the form of short-term and long-term loans, project loans and bonds. Total Group borrowings as at the end of 2013 was $7.1 billion (2012: $7.2 billion and 2011: $4.9 billion). At the end of 2013, 7% (2012: 14% and 2011: 17%) of Group borrowings were repayable within one year with the balance largely repayable between one and five years.

Unsecured borrowings constituted 87% (2012: 81% and 2011: 72%) of total borrowings with the balance secured by properties and other assets. Secured borrowings are mainly for funding investment properties and project finance loans for property development projects. The net book value of properties and assets pledged/mortgaged to financial institutions amounted to $2.90 billion (2012: $3.10 billion and 2011: $4.20 billion).

Fixed rate borrowings constituted 53% (2012: 57% and 2011: 51%) of total borrowings with the balance at floating rates. The Group has interest rate swap agreements with notional amount totaling $1,141 million whereby it receives variable rates equal to SIBOR and LIBOR and pays fixed rates of between 1.27% and 3.62% on the notional amount. Details of these derivative instruments are disclosed in the notes to the financial statements.

Singapore dollar borrowings represented 67% (2012: 82% and 2011: 90%) of total borrowings. The balances were mainly in US dollars, Renminbi and other Asian currencies. Foreign currency borrowings were drawn to hedge against the Group's overseas investments and receivables, which were denominated in foreign currencies.

Weighted average tenor of the loan book was around five years at the beginning and end of 2013 with a slight decrease in average cost of funds.

Debt Maturity ($ million)

< 1 year	517 (7%)
1 - 2 years	1,731 (24%)
2 - 3 years	349 (5%)
3 - 4 years	639 (9%)
4 - 5 years	1,327 (19%)
> 5 years	2,537 (36%)

CAPITAL STRUCTURE & FINANCIAL RESOURCES

The Group maintains a strong balance sheet and an efficient capital structure to maximise returns for shareholders. The strong operational cash flow of the Group and divestment proceeds from low yielding and non-core assets will provide resources to grow the Group's businesses.

Every new investment will have to satisfy strict criteria for return on investment, cash flow generation, EVA creation and risk management. New investments will be structured with an appropriate mix of equity and debt after careful evaluation and management of risks.

CAPITAL STRUCTURE

Capital employed at the end of 2013 was $13.69 billion as compared to $13.58 billion as at end 2012 and $11.76 billion as at end 2011. The Group was in a net debt position of $1,535 million as at end of 2013. This was an improvement from the net debt position of $3,153 million at the end of 2012 and net debt position of $1,857 million in 2011. The Group's net gearing ratio was 0.11 times at the end of 2013.

Interest coverage decreased from 15.59 times in 2011 to 15.46 times in 2012 and to 11.05 times in 2013. Interest coverage in 2013 has reduced because of lower EBIT, partially offset by higher borrowings and interest expense.

Cash flow coverage improved from negative 0.53 times in 2011 to positive 6.50 times in 2012 and dropped to 4.02 times in 2013. This was mainly due to lower operating cash flows in 2013.

At the Annual General Meeting in 2013, shareholders gave their approval for the mandate to buy back shares. The Company did not exercise this mandate.

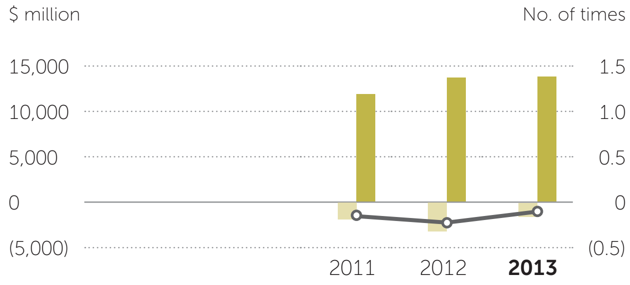
FINANCIAL RESOURCES

The Group continues to tap the debt capital market at competitive terms and for longer tenures.

As part of its liquidity management, the Group has built up adequate cash

Net Cash/(Gearing)

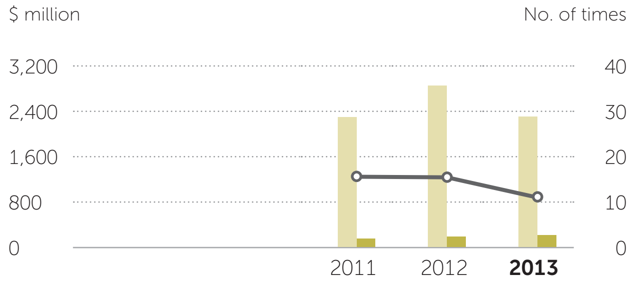
Net Gearing = $\frac{\text{Borrowings – Cash}}{\text{Capital Employed}}$



	2011	2012	2013
Net Cash / (Debt)	(1,857)	(3,153)	**(1,535)**
Capital Employed	11,761	13,578	**13,689**
Net Cash / (Gearing)	(0.16)	(0.23)	**(0.11)**

Interest Coverage

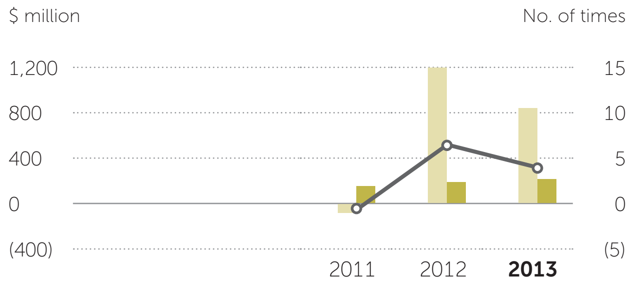
Interest Coverage = $\frac{\text{EBIT}}{\text{Interest Cost}}$



	2011	2012	2013
EBIT	2,276	2,829	**2,288**
Total Interest Cost	146	183	**207**
Interest Cover	15.59	15.46	**11.05**

Cash Flow Coverage

Cash Flow Coverage = $\frac{\text{Operating Cash Flow + Interest Cost}}{\text{Interest Cost}}$



	2011	2012	2013
Operating Cash Flow + Interest	(78)	1,189	**832**
Total Interest Expense + Interest Capitalised	146	183	**207**
Cash Flow Coverage	(0.53)	6.50	**4.02**

reserves and short-term marketable securities as well as sufficient undrawn banking facilities and a capital market programme. Funding of working capital requirements, capital expenditure and investment needs is made through a mix of short-term money market borrowings and medium/long-term loans and bonds.

The Group maintains flexibility in funding by ensuring that ample working capital lines are available at any one time. Cash flow, debt maturity profile and overall liquidity position are actively reviewed on an ongoing basis.

As at end of 2013, total funds available and unutilised facilities amounted to $9.40 billion (2012: $8.03 billion).

CRITICAL ACCOUNTING POLICIES

The Group's significant accounting policies are discussed in more detail in the notes to the financial statements. The preparation of financial statements requires management to exercise its judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions which affect the reported amount of assets, liabilities, income and expenses. Critical accounting estimates and judgment are described below.

IMPAIRMENT OF LOANS AND RECEIVABLES

The Group assesses at each balance sheet date whether there is any objective evidence that a loan and receivable is impaired. The Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. When there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of trade, intercompany and other receivables are disclosed in the balance sheet.

IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENTS

The Group follows the guidance of FRS 39 in determining whether available-for-sale investments are considered impaired. The Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, the financial health of and the near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. The fair values of available-for-sale investments are disclosed in the balance sheet.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Determining whether the carrying value of a non-financial asset is impaired requires an estimation of the value in use of the cash-generating units. This requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amounts of fixed assets, investment properties and intangibles are disclosed in the balance sheet.

REVENUE RECOGNITION

The Group recognises contract revenue based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2(q) of the financial statements. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue, contract cost and the recoverability of the contracts. In making the assumption, the Group evaluates by relying on past experience and the work of engineers. Revenue from construction contracts is disclosed in Note 22 of the financial statements.

Revenue arising from additional claims and variation orders, whether billed or unbilled, is recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claims or approve the variation orders, and where the amount can be measured reliably.

INCOME TAXES

The Group has exposure to income taxes in numerous jurisdictions. Significant assumptions are required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation are disclosed in the balance sheet.

CLAIMS, LITIGATIONS AND REVIEWS

The Group entered into various contracts with third parties in its ordinary course of business and is exposed to the risk of claims, litigations, latent defects or review from the contractual parties and/or government agencies. These can arise for various reasons, including change in scope of work, delay and disputes, defective specifications or routine checks, etc. The scope, enforceability and validity of any claim, litigation or review may be highly uncertain. In making its judgment as to whether it is probable that any such claim, litigation or review will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal and technical expertise.

Financial Capacity

	$ million	Remarks
Cash at Corporate Treasury	3,499	63% of total cash of $5.56 billion
Credit facilities extended to the Group	5,896	Credit facilities of $8.82 billion, of which $2.92 billion was utilised
Total	**9,395**	

Sustainability Report Highlights

Keppel is committed to delivering value to all our stakeholders through Sustaining Growth in our businesses, Empowering Lives of people and Nurturing Communities wherever we operate.

SUSTAINING GROWTH

Our commitment to business excellence is driven by our unwavering focus on strong corporate governance and prudent risk management.

Resource efficiency is our responsibility and makes good business sense.

Innovation and delivering quality products and services sharpen our competitive edge.

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EMPOWERING LIVES

People are the cornerstone of our businesses.

As an employer of choice, we are committed to grow and nurture our talent pool through continuous training and development to help our people reach their full potential.

We want to instill a culture of safety so that everyone who comes to work goes home safe.

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NURTURING COMMUNITIES

As a global citizen, Keppel believes that as communities thrive, we thrive. We give back to communities wherever we operate through our multi-faceted approach towards sustainability.

We believe that cultivating a green mindset among our employees will spur them to adopt a sustainable lifestyle.

As leaders in our businesses, we support industry programmes and initiatives, and encourage open dialogue to promote growth.

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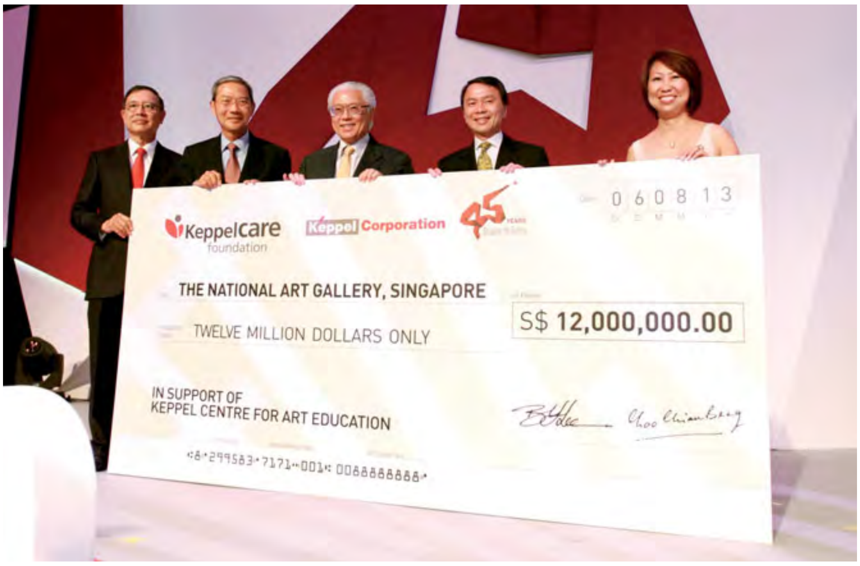
Managing Sustainability



We recognise sustainability as a central factor in our long-term competitiveness, and strive to continue to be a responsible corporate citizen.

Keppel committed $12 million to the National Art Gallery, Singapore in support of its centre for art education, which aims to nurture a new generation of creative and critical thinkers.

A successful business is synonymous with a sustainable business. We recognise sustainability as a central factor in our long-term competitiveness, and strive to continue to be a responsible corporate citizen.

Our sustainability report will be published in July 2014, and will articulate our performance in six key focus areas: Corporate Governance and Risk Management, Environmental Performance, Product Excellence, Labour Practices & Human Rights, Safety & Health and Community Development. We have included a concise review of these areas and our management approaches in the following pages.

MANAGEMENT STRUCTURE

Sustainability issues are managed and communicated at all levels of the Group. The Group Sustainability Steering Committee, which comprises senior management from across the Keppel Group, sets the sustainability strategy.

The Steering Committee is supported by the Working Committee, which is made up of six functional teams that execute the strategy and report the Group's performance.

MATERIALITY ANALYSIS

Our materiality analysis process identifies and prioritises the economic, environmental and social concerns of our stakeholders. Issues were systematically placed on a numerical scale where higher priority issues were assigned higher scores (1 – Low, 5 – Critical). The issues were plotted graphically on internal and external stakeholder axes to show where they lay in relation. Thresholds on the axes were marked to divide the matrix into bands of materiality.

Our report addresses issues in the most significant bands. This process is in line with AA1000 and Global Reporting Initiative guidelines.

STAKEHOLDER ENGAGEMENT

We recognise that business and sustainability goals are best aligned through an active engagement process with our stakeholders. Our sustainability reports are part of our commitment to engage those who take an interest in our company.

We conducted a stakeholder consultation exercise in 2013 to review our priority areas and material issues in economic, environmental and social dimensions. The exercise was facilitated by an independent sustainability consultancy and involved a sample pool of customers, employees, government contacts, investors, analysts, suppliers, and non-governmental organisations that provide social services or undertake community development. We are refining our existing practices and communications in line with feedback received from the exercise, and will provide more details in the sustainability report.

In addition, we aim to help address sustainability issues through our participation in and support of corporate social responsibility initiatives in areas such as manpower, workplace safety and health and environmental protection.

BEST PRACTICE REPORTING

Our sustainability reports draw on internationally-recognised standards of reporting, including the Global Reporting Initiative (GRI) 3.1 guidelines. We are reviewing our corporate reporting processes to prepare for the transition to reporting in accordance with GRI's fourth generation guidelines (G4) launched in May 2013.

External assurance provides an objective evaluation of how well we report our sustainability performance. Our sustainability report will be assured by DNV Business Assurance in accordance with the AA1000 Assurance Standard 2008 and ISAE3000.

Corporate Governance

The Board and management of Keppel Corporation Limited ("KCL" or the "Company") firmly believe that a genuine commitment to good corporate governance is essential to the sustainability of the Company's businesses and performance, and are pleased to confirm that the Company has adhered to the principles and guidelines of the Code of Corporate Governance 2012[1] (the "2012 Code").

The following describes the Company's corporate governance practices with specific reference to the 2012 Code.

The Keppel Group was recognised for governance and transparency at the Singapore Corporate Awards 2013.

BOARD'S CONDUCT OF AFFAIRS

Principle 01:

Effective board to lead and control the Company

Role: The principal functions of the Board are to:

- decide on matters in relation to the Group's activities which are of a significant nature, including decisions on strategic directions and guidelines and the approval of periodic plans and major investments and divestments;
- oversee the business and affairs of the Company, establish, with management, the strategies and financial objectives to be implemented by management, and monitor the performance of management;
- set the Company's values and standards (including ethical standards);
- oversee processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy of such processes;
- assume responsibility for corporate governance; and
- consider sustainability issues such as environmental and social factors as part of its strategic formulation.

Independent Judgment: All directors are expected to exercise independent judgment in the best interests of the Company. This is one of the performance criteria for the peer and self assessment on the effectiveness of the individual directors. Based on the results of the peer and self assessment carried out by the directors for FY 2013, all directors have discharged this duty consistently well.

Board Committees: To assist the Board in the discharge of its oversight function, various board committees, namely the Audit, Board Risk, Nominating, Remuneration, and Board Safety Committees, have been constituted with clear written terms of reference. All the board committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the respective board committees have been updated with effect from 1 January 2013 following the issuance of the 2012 Code. The new responsibilities of the respective board committees are disclosed in the Appendix to this report.

Meetings: The Board meets six times a year and as warranted by particular circumstances. Telephonic attendance and conference via audio-visual communication at board meetings are allowed under the Company's Articles of Association. Further, the non-executive directors meet without the presence of management on a need-basis. The number of board, board committee, and non-executive director meetings held in FY 2013, as well as the attendance of each board member at these meetings, are disclosed in Table 1 on page 93.

If a director were unable to attend a board or board committee meeting, he or she would receive all the papers and materials for discussion at that meeting. He or she would review them and advise the Chairman or the board committee chairman of his or her views and comments on the matters to be discussed so that they may be conveyed to other members at the meeting.

Internal Limits of Authority: The Company has adopted internal guidelines setting forth matters that require board approval. Under these guidelines, (a) new investments or increase in investments, (b) acquisition

Note:
[1] The Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore on 2 May 2012.

and disposal of assets and (c) capital equipment purchase and/or lease, exceeding $30 million by any Group company (not separately listed), and all commitments to term loans and lines of credit from banks and financial institutions by the Company, require the approval of the Board. Each board member has equal responsibility to oversee the business and affairs of the Company. Management on the other hand is responsible for the day-to-day operation and administration of the Company in accordance with the policies and strategy set by the Board.

Director Orientation: A formal letter is sent to newly-appointed directors upon their appointment explaining their duties and obligations as directors. All newly-appointed directors undergo a comprehensive orientation programme which includes site visits and management presentations on the Group's businesses, strategic plans and objectives.

Training: The directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act and industry-related matters, so as to update and refresh them on matters that may affect or enhance their performance as board or board committee members. A training programme is also in place for directors in areas such as accounting, finance, risk governance and management, the roles and responsibilities of a director of a listed company and industry specific matters. In FY 2013, some KCL directors attended a two-day course on "Enhancing Board Stewardship" and talks on topics relating to the global macro-economic development, the financial, political, and economic risks of emerging countries in which the Group operates, and updates on financial reporting and technical standards, among others.

BOARD COMPOSITION AND SUCCESSION PLANNING

Principle 02:

Strong and independent element on the Board

Board Composition and Succession Planning: To discharge its oversight responsibilities, the Board must be an effective board which can lead and control the business of the Group. There is a process of refreshing the Board progressively over time so that the experience of longer serving directors can be drawn upon while tapping into new external perspectives and insights which more recent appointees bring to the Board's deliberation. Two long-serving Senior Executive Directors, Mr Choo Chiau Beng and Mr Tong Chong Heong retired from the Board on 1 January 2014 and 1 February 2014 respectively. Mr Loh Chin Hua succeeded Mr Choo as Chief Executive Officer and Executive Director of the Company on 1 January 2014. He will be seeking re-election at the Company's upcoming Annual General Meeting.

Board Independence: The Nominating Committee determines on an annual basis whether or not a director is independent bearing in mind the 2012 Code's definition of an "independent director" and guidance as to relationships the existence of which would deem a director not to be independent. The Committee carried out the review on the independence of each non-executive director in early January 2014 based on the respective directors' self-declaration in the Director's Independence

Table 1

		Board Committee Meetings					
	Board Meetings	Audit	Nominating	Remuneration	Safety	Risk	Non-Executive Directors' Meeting (without presence of management)
Lee Boon Yang	10	–	8	7	4	–	2
Choo Chiau Beng[1]	10	–	–	–	4	–	–
Loh Chin Hua[1]	–	–	–	–	–	–	–
Tony Chew Leong-Chee	9	5	9	–	–	–	2
Oon Kum Loon	10	5	–	7	–	4	2
Tow Heng Tan	10	–	9	7	–	4	2
Alvin Yeo Khirn Hai[2]	9	3	–	–	–	3	2
Tan Ek Kia[3]	8	–	9	–	4	–	2
Danny Teoh	10	5	–	7	–	4	2
Tan Puay Chiang	9	–	–	–	4	4	2
Teo Soon Hoe	10	–	–	–	–	–	–
Tong Chong Heong[4]	9	–	–	–	–	–	–
No. of Meetings Held	**10**	**5**	**9**	**7**	**4**	**4**	**2**

Notes:

1 Mr Choo Chiau Beng retired as Senior Executive Director and CEO of the Company, and ceased to be a member of the Board Safety Committee, on 1 January 2014. Mr Loh Chin Hua was appointed as Executive Director and CEO of the Company on the same day and will be seeking re-election as director at the Annual General Meeting.

2 Mr Alvin Yeo ceased to be a member of the Board Risk Committee, and was appointed as a member of the Nominating Committee on 23 January 2014.

3 Mr Tan Ek Kia was appointed as a member of the Board Risk Committee, on 23 January 2014.

4 Mr Tong Chong Heong retired as Senior Executive Director of the Company and CEO of Keppel Offshore & Marine Ltd, on 1 February 2014.

Checklist and their actual performance on the Board and board committees.

In this connection, the Committee noted that Mr Alvin Yeo is Senior Partner of WongPartnership LLP which is one of the law firms providing legal services to the Keppel Group. Mr Yeo had declared to the Committee that he did not have a 10% or more stake in WongPartnership LLP and did not advise the Group in a professional capacity, nor did he involve himself in the selection and appointment of legal counsels for the Group. The Committee also took into account Mr Yeo's actual performance on the Board and board committees and the outcome of the recent self and peer Individual Director Performance assessment, and agreed that Mr Yeo has been exercising independent judgment in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an independent director.

The Committee (save for Mr Tan Ek Kia who abstained from deliberation in this matter) also noted that Mr Tan Ek Kia is a non-executive director on the board of Transocean Ltd which has business dealings with the Keppel Offshore & Marine Group. Mr Tan had declared to the Committee that he was not involved in the negotiation of contracts or business dealings between the companies. The Committee also took into account Mr Tan's actual performance on the Board and the board committees and the outcome of the recent self and peer Individual Director Performance assessment, and agreed that Mr Tan has been exercising independent judgment in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an independent director.

Further, a director who is directly associated with a 10% shareholder is deemed as non-independent under the 2012 Code. Mr Tow Heng Tan was previously the Chief Investment Officer of Temasek Holdings (Private) Limited ("Temasek"). He ceased to be employed by Temasek since 2012 and is currently the CEO of Pavilion Capital International Pte Ltd, a wholly-owned subsidiary of Temasek. As Mr Tow has not left the employment of Temasek for more than three years, the Committee continued to deem Mr Tow as a non-independent non-executive director.

Lastly, the 2012 Code states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review.

In this regard, the Committee (save for Mr Tony Chew who abstained from deliberation in this matter) noted that Mr Tony Chew and Mrs Oon Kum Loon were respectively first appointed to the Board on 16 April 2002 and 15 May 2004. However, the Committee considered that Mr Chew and Mrs Oon have each demonstrated independent judgment at board and board committee meetings, and was of the firm view that they have been exercising independent judgment in the best interests of the Company in the discharge of their respective director's duties. The Committee therefore continued to deem Mr Chew and Mrs Oon as independent directors.

The Board concurred with the reasons set forth by the Nominating Committee and was of the view that Dr Lee Boon Yang, Mr Tony Chew, Mrs Oon Kum Loon, Mr Alvin Yeo, Mr Tan Ek Kia, Mr Danny Teoh and Mr Tan Puay Chiang should be deemed independent.

Board Size: The Board, in concurrence with the Nominating Committee, was of the view that, taking into account the nature and scope of the operations of the Company, the requirements of the Company's businesses and the need to avoid undue disruptions from changes to the composition of the Board and board committees, the Board should consist of approximately up to 12 members, which would facilitate effective decision making. The Board currently comprises a majority of independent directors with a total of ten directors, of whom seven are independent. No individual or small group of individuals dominate the Board's decision making.

The nature of the directors' appointments on the Board and details of their membership on board committees are set out on page 111 herein.

Board Competency: The Nominating Committee is satisfied that the Board and the board committees comprise directors who as a group provide an appropriate balance and diversity of skills, experience, gender, knowledge of the Group, core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning and customer-based experience or knowledge, required for the Board and the board committees to be effective.

Board Information: The Board and management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge management on its assumptions and proposals, and that for this to happen, the Board, in particular, the non-executive directors, must be kept well informed of the Company's business and affairs and be knowledgeable about the industry in which the businesses operate. The Company has therefore adopted initiatives to put in place processes to ensure that the non-executive directors are well supported by accurate, complete and timely information, have unrestricted access to management, and have sufficient time and resources to discharge their oversight function effectively. These initiatives include regular informal meetings for management to brief the directors on prospective deals and potential developments at an early stage before formal board approval is sought, and the circulation of relevant information on business initiatives, industry developments and analyst and press commentaries on matters in relation to the Company or the industries in which it operates. A two-day off-site board strategy meeting is organised annually for in-depth discussion on strategic issues and direction of the Group, to give the non-executive directors a better understanding of the Group and its

businesses and to provide an opportunity for the non-executive directors to familiarise themselves with the management team so as to facilitate the Board's review of the Group's succession planning and leadership development programme.

Non-Executive Directors' Meetings:
The Board's non-executive directors meet on a need-basis without the presence of management to discuss matters such as board processes, corporate governance initiatives, matters which they wish to discuss during the board off-site strategy meeting, succession planning and leadership development, and performance management and remuneration matters.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 03:

Chairman and CEO should in principle be separate persons to ensure appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making

Dr Lee Boon Yang is the non-executive and independent Chairman of the Company. Mr Choo Chiau Beng was CEO of the Company until 1 January 2014 when he was succeeded by Mr Loh Chin Hua.

The Chairman, with the assistance of the Company Secretaries, schedules meetings and prepares meeting agenda to enable the Board to perform its duties responsibly having regard to the flow of the Company's operations.

The Chairman sets guidelines on and monitors the flow of information from management to the Board to ensure that all material information are provided in a timely manner to the Board for the Board to make good decisions. He also encourages constructive relations between the Board and management, and between the executive and non-executive directors.

At annual general meetings and other shareholders' meetings, the Chairman ensures constructive dialogue between shareholders, the Board and management.

The Chairman takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the directors, Company Secretaries and management.

The CEO, assisted by the management team, makes strategic proposals to the Board and after robust and constructive board discussion, executes the agreed strategy, manages and develops the Group's businesses and implements the Board's decisions.

BOARD MEMBERSHIP

Principle 04:

Formal and transparent process for the appointment and re-appointment of directors to the Board

NOMINATING COMMITTEE

The Company has established a Nominating Committee (NC) to, among other things, make recommendations to the Board on all board appointments and oversee the Board and senior management's succession and leadership development plans. The NC comprises entirely non-executive directors, four out of five of whom (including the Chairman) are independent; namely:

- Mr Tony Chew
  Independent Chairman
- Dr Lee Boon Yang
  Independent Member
- Mr Tow Heng Tan
  Non-Executive and
  Non-Independent Member
- Mr Tan Ek Kia
  Independent Member
- Mr Alvin Yeo
  Independent Member
  (w.e.f 23 January 2014)

The responsibilities of the NC are set out on page 110 herein.

The Board Directors bring diverse expertise and experience to the Group.

PROCESS FOR APPOINTMENT OF NEW DIRECTORS AND BOARD SUCCESSION PLANNING

The NC is responsible for reviewing the succession plans for the Board. In this regard, it has put in place a formal process for the renewal of the Board and the selection of new directors. The NC leads the process and makes recommendations to the Board as follows:

(a) NC reviews annually the balance and diversity of skills, experience, gender and knowledge required by the Board and the size of the Board which would facilitate decision making.
(b) In the light of such review and in consultation with management, the NC assesses if there is any inadequate representation in respect of any of those attributes and if so, determines the role and the desirable competencies for a particular appointment.
(c) External help (for example, Singapore Institute of Directors, search consultants, open advertisement) may be used to source for potential candidates if need be. Directors and management may also make recommendations.
(d) NC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.
(e) NC makes recommendations to the Board for approval.

The Board believes that orderly succession and renewal is achieved as a result of careful planning, where the appropriate composition of the Board is continually under review.

CRITERIA FOR APPOINTMENT OF NEW DIRECTORS

All new appointments are subject to the recommendation of the NC based on the following objective criteria:

(1) Integrity
(2) Independent mindedness
(3) Diversity – Possess core competencies that meet the needs of the Company and complement the skills and competencies of the existing directors on the Board
(4) Able to commit time and effort to carry out duties and responsibilities effectively – proposed director does not have more than six listed company board representations and /or other principal commitments
(5) Track record of making good decisions
(6) Experience in high-performing companies
(7) Financially literate

Adopting the above appointment process and criteria, the Board will be recommending at the upcoming Annual General Meeting the re-election of a new director, Mr Loh Chin Hua.

Mr Loh Chin Hua is currently the CEO of the Company, after having served as its Chief Financial Officer, from 1 January 2012 to 1 January 2014, playing a pivotal role in all its major investment initiatives and financial decisions as well as shaping the Group's business strategy. Mr Loh has over 25 years of experience in real estate investing and fund management spanning the USA, Europe and Asia. He joined the Keppel Group in 2002 as the Managing Director of Alpha Investment Partners Ltd. Prior to this, he was the Managing Director at Prudential Investment Inc leading its Asian real estate fund management business and overseeing all investment and asset management for the real estate funds managed out of Asia. Mr Loh began his career with the Government of Singapore Investment Corporation, where he held key appointments in its San Francisco office and was head of the European real estate group in London before returning to Singapore to head the Asian real estate group.

RE-NOMINATION OF DIRECTORS

The NC is also charged with the responsibility of re-nomination with regards to the director's contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the performance assessment of an individual director by his peers.

The directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to the Company's Articles of Association, one-third of the directors retire from office at the Company's annual general meeting, and a newly appointed director must submit himself for re-election at the annual general meeting immediately following his appointment.

ANNUAL REVIEW OF DIRECTORS' INDEPENDENCE

The NC is also charged with determining the "independence" status of the directors annually. Please refer to pages 93 and 94 herein on the basis of the NC's determination as to whether a director should or should not be deemed independent.

Directors exchanging perspectives to enhance the Group's strategic governance.

ANNUAL REVIEW OF DIRECTORS' TIME COMMITMENTS

The NC has adopted internal guidelines addressing competing time commitments that are faced when directors serve on multiple boards and/or have other principal commitments. As a guide, directors should not have more than six listed company board representations and/or other principal commitments.

The NC determines annually whether a director with other listed company board representations and/or other principal commitments is able to and has been adequately carrying out his duties as a director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual director, and the respective directors' actual conduct on the Board, in making this determination. In respect of FY 2013, the NC was of the view that each director has given sufficient time and attention to the affairs of the Company and has been able to discharge his duties as director effectively. The NC also discussed with Mr Tan Ek Kia and Mr Alvin Yeo on their respective directorships and commitments (including, with respect to Mr Tan, his directorship on the board of Transocean Ltd and SMRT Corporation Ltd and with respect to Mr Yeo, his appointment as a Member of Parliament) and was of the view that both Mr Tan and Mr Yeo would be able to continue to adequately carry out their respective duties as a director of KCL. The NC noted that based on the attendance of board and board committee meetings during the year, all the directors were able to participate in at least a substantial number of such meetings to carry out their duties. The NC also noted that, based on the Independent Co-ordinator's Report on individual director assessment for FY 2013, all the directors performed well. The NC was therefore satisfied that in FY 2013, where a director had other listed company board representations and/or other principal commitments, the director was able and had been adequately carrying out his duties as director of the Company.

NOMINEE DIRECTOR POLICY

At the recommendation of the NC, the Board approved the adoption of the KCL Nominee Director Policy in January 2009. For the purposes of the policy, a "Nominee Director" is a person who, at the request of KCL, acts as director (whether executive or non-executive) on the board of another company or entity ("Investee Company") to oversee and monitor the activities of the relevant Investee Company so as to safeguard KCL's investment in the company.

The purpose of the policy is to highlight certain obligations of a person while acting in his capacity as a Nominee Director. The policy also sets out the internal process for the appointment and resignation of a Nominee Director. The policy would be reviewed and amended as required to take into account current best practices and changes in the law and stock exchange requirements.

KEY INFORMATION REGARDING DIRECTORS

The following key information regarding directors is set out in the following pages of this Annual Report:

Pages 21 to 25: Academic and professional qualifications, board committees served on (as a member or Chairman), date of first appointment as director, date of last re-election as director, directorships or chairmanships both present and past held over the preceding five years in other listed companies and other major appointments, whether appointment is executive or non-executive, whether considered by the NC to be independent; and

Pages 127 to 129: Shareholding in the Company and its subsidiaries.

BOARD PERFORMANCE

Principle 05:

Formal assessment of the effectiveness of the Board and board committees and the contribution by each director to the effectiveness of the Board

The Board has implemented formal processes for assessing the effectiveness of the Board as a whole and its board committees, the contribution by each individual director to the effectiveness of the Board, as well as the effectiveness of the Chairman of the Board.

Independent Co-ordinator: To ensure that the assessments are done promptly and fairly, the Board has appointed an independent third party (the "Independent Co-ordinator") to assist in collating and analysing the returns of the board members. Mrs Fang Ai Lian, former Chairman, Ernst & Young and currently Chairman, Great Eastern Holdings Ltd, was appointed for this role. Mrs Fang Ai Lian does not have business relationships or any other connections with the Company which may affect her independent judgment.

Formal Process and Performance Criteria: The evaluation processes and performance criteria are disclosed in the Appendix to this report.

Objectives and Benefits: The board assessment exercise provides an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes allow him to discharge his duties effectively and the changes which should be made to enhance the effectiveness of the Board and/or board committees. The assessment exercise also helps the directors to focus on their key responsibilities. The individual director assessment exercise allows for peer review with a view to raising the quality of board members. It also assists the NC in determining whether to re-nominate directors who are due for retirement at the next annual general meeting, and in determining whether directors with multiple board representations are nevertheless able to and have adequately discharged their duties as directors of the Company.

ACCESS TO INFORMATION

Principle 06:

Board members to have complete, adequate and timely information

As a general rule, board papers are required to be sent to the directors at least seven days before the board meeting so that the members may better understand the matters prior to

the board meeting and discussion may be focused on questions that the directors may have. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Managers who can provide additional insights into the matters at hand would be present at the relevant time during the board meeting. The directors are also provided with the names and contact details of the Company's senior management and the Company Secretaries to facilitate direct access to senior management and the Company Secretaries.

The Company fully recognises that the flow of relevant information on an accurate and timely basis is critical for the Board to be effective in the discharge of its duties. Management is therefore expected to provide the Board with accurate information in a timely manner concerning the Company's progress or shortcomings in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues facing the Company.

Management also provides the board members with management accounts on a monthly basis and as the Board may require from time to time. Such reports keep the Board informed, on a balanced and understandable basis of the Group's performance, position and prospects.

The Company Secretaries administer, attend and prepare minutes of board proceedings. They assist the Chairman to ensure that board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow to the Board and board committees, and between senior management and the non-executive directors, and facilitating orientation and assisting in the professional development of the directors) are followed and regularly reviewed to ensure effective functioning of the Board, and that the Company's memorandum and articles of association and relevant rules and regulations, including requirements of the Companies Act, Securities & Futures Act and Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX"), are complied with. They also assist the Chairman and the Board to implement and strengthen corporate governance practices and processes with a view to enhancing long-term shareholder value. They are also the primary channel of communication between the Company and the SGX.

The appointment and removal of the Company Secretaries are subject to the approval of the Board.

Subject to the approval of the Chairman, the directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of the Company.

REMUNERATION MATTERS

Principle 07:

The procedure for developing policy on executive remuneration and for fixing remuneration packages of individual directors should be formal and transparent

Principle 08:

The level and structure of directors' fees are aligned with the long-term interests of the Company and appropriate to attract, retain and motivate directors to provide good stewardship of the Company

The level and structure of key management remuneration are aligned with the long-term interests and risk policies of the Company and appropriate to attract, retain and motivate key management to successfully manage the Company

Principle 09:

There should be clear disclosure of remuneration policy, level and mix of remuneration, and procedure for setting remuneration

REMUNERATION COMMITTEE

The Remuneration Committee (RC) comprises entirely non-executive directors, three out of four of whom (including the Chairman) are independent; namely:

- Mr Danny Teoh
  Independent Chairman
- Dr Lee Boon Yang
  Independent Member
- Mrs Oon Kum Loon
  Independent Member
- Mr Tow Heng Tan
  Non-Executive and Non-Independent Member

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual directors and senior management. The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise shareholder value. The RC recommends to the Board for endorsement a framework of remuneration (which covers all aspects of remuneration including directors' fees, salaries, allowances, bonuses, grant of shares and share options, and benefits-in-kind) and the specific remuneration packages for each director and the key management personnel. The RC also reviews the remuneration of senior management and administers the KCL Share Option Scheme, the KCL Restricted Share Plan (the "KCL RSP") and the KCL Performance Share Plan (the "KCL PSP"). In addition, the RC reviews the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC has access to expert advice from external remuneration consultants where required. In FY 2013, the RC sought views on market practices and trends from external remuneration consultants, Aon Hewitt. The RC undertook a review of the independence and objectivity of the external remuneration consultants through discussions with the external remuneration consultants, and has confirmed that the external remuneration consultants had no relationships with the Company which would affect their independence.

ANNUAL REMUNERATION REPORT

POLICY IN RESPECT OF NON-EXECUTIVE DIRECTORS' REMUNERATION

Each non-executive director's remuneration comprises a basic fee, attendance fee and, if the director is required to travel out of his/her country of residence to attend meetings or events or for any other purpose of the Company, travel allowance. In addition, non-executive directors who perform additional services in board committees are paid an additional fee for such services. The Chairman of each board committee is also paid a higher fee compared with the members of the respective committees in view of the greater responsibility carried by that office. Executive directors are not paid directors' fees.

The RC, in consultation with Aon Hewitt, conducted a review of the framework for non-executive directors' remuneration taking into consideration the increasing demands and responsibilities of the non-executive directors, prevailing market conditions and referencing directors' fees against comparable benchmarks. The Board agreed with the RC's recommendation that the directors' fee structure be revised set out in Table 2 below:

Each of the non-executive directors (including the Chairman) will receive 70% of his total directors' fees in cash ("Cash Component") and 30% in the form of KCL shares ("Remuneration Shares")(both amounts subject to adjustment as described below). The actual number of Remuneration Shares, to be purchased from the market on the first trading day immediately after the date of the Annual General Meeting ("Trading Day") for delivery to the respective non-executive directors, will be based on the market price of the Company's shares on the SGX-ST on the Trading Day. The actual number of Remuneration Shares will be rounded down to the nearest thousand and any residual balance will be paid in cash. Such incorporation of an equity component in the total remuneration of the non-executive directors is intended to achieve the objective of aligning the interests of the non-executive directors with those of the shareholders' and the long-term interests of the Company.

The aggregate directors' fees for non-executive directors are subject to shareholders' approval at the Annual General Meeting. The Chairman and the non-executive directors will abstain from voting, and will procure their respective associates to abstain from voting in respect of this resolution.

Table 2

		Basic Fee (per annum)
Board Chairman		$750,000 (all-in)
Board Member		$81,000

		Additional Fees for Membership in Board Committees (per annum)
	Chairman	Member
Audit Committee	$50,000	$27,000
Board Risk Committee	$50,000	$27,000
Remuneration Committee	$35,000	$23,000
Board Safety Committee	$35,000	$23,000
Nominating Committee	$30,000	$18,000

		Attendance Fee (per meeting)
Board & Non-Executive Directors' Meetings	Singapore	$3,000
	Overseas	$5,000
Committee Meeting	Singapore	$1,500
	Overseas	$3,000

Director's Allowance (for overseas travel)	$1,000 per event day

REMUNERATION POLICY IN RESPECT OF EXECUTIVE DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL

The Company advocates a performance-based remuneration system that is highly flexible and responsive to the market, Company's, business unit's and individual employee's performance.

In designing the compensation structure, the RC seeks to ensure that the level and mix of remuneration are competitive, relevant and appropriate in finding a balance between current versus long-term compensation and between cash versus equity incentive compensation. The total remuneration mix comprises three key components; that is, annual fixed cash, annual performance incentive, and the KCL Share Plans. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances which the Company benchmarks with the relevant industry market median. The annual performance incentive is tied to the Company's, business unit's and individual employee's performance, inclusive of a portion which is tied to EVA performance. The KCL Share Plans are in the form of two share plans approved by shareholders, the KCL Restricted Share Plan and the KCL Performance Share Plan. The EVA performance incentive plan and the KCL Share Plans are long-term incentive plans. Executives who have a greater ability to influence Group outcomes have a greater proportion of overall reward at risk.

The RC exercises broad discretion and independent judgment in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the company. The mix of fixed and variable reward is considered appropriate for the Group and for each individual role.

The compensation structure is directly linked to corporate and individual performance, both in terms of financial,

non-financial performance and the creation of shareholder wealth. This link is achieved in the following way:

(a) by placing a significant portion of executives' remuneration at risk ("At Risk component") and in some cases, subject to a vesting schedule;
(b) by incorporating appropriate key performance indicators ("KPIs") for awarding of annual cash incentives:
   i. There are four scorecard areas that the Company has identified as key to measuring the performance of the Group – (a) Commercial/Financial; (b) Customers; (c) Process; and (d) People;
   ii. The four scorecard areas have been chosen because they support how the Group achieves its strategic objectives. The framework provides a link for staff in understanding how they contribute to each area of the scorecard, and therefore to the Company's overall strategic goals. This is designed to achieve a consistent approach and understanding across the Group;
(c) by selecting performance conditions such as ROE, Total Shareholder Return and EVA for equity awards that are aligned with shareholder interests;
(d) by requiring those KPIs or conditions to be met in order for the At Risk components of remuneration to be awarded or to vest; and
(e) by forfeiting the At Risk components of remuneration when those KPIs or conditions are not met at a satisfactory level.

The RC also recognised the need for a reasonable alignment between risk and remuneration to discourage excessive risk taking. Therefore, in determining the compensation structure, the RC had taken into account the risk policies and risk tolerance of the Group as well as the time horizon of risks, and incorporated risks-adjustments into the compensation structure through several initiatives, including but not limited to:

(a) prudent funding of annual cash incentives;
(b) bonus deferrals under the EVA performance incentive plans;
(c) vesting of contingent share awards under the KCL Share Plans being subject to KPIs and/or performance conditions being met; and
(d) potential forfeiture of variable incentives in any year due to misconduct.

RC is of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviours contrary to the Group's risk profile.

In determining the actual quantum of variable component of remuneration, the RC had taken into account the extent to which the performance conditions, set forth above, have been met. The RC is therefore of the view that remuneration is aligned to performance during FY 2013.

In order to align the interests of Senior Executive Directors with that of shareholders, the Senior Executive Directors are remunerated partially in the form of shares in the Company and are encouraged to hold such shares while they remain in the employment of the Company.

The directors, the CEO and the key management personnel (who are not directors or the CEO) are remunerated on an earned basis and there are no termination, retirement and post-employment benefits that are granted over and above what has been disclosed.

LONG-TERM INCENTIVE PLANS

EVA Incentive Plan

Each year, the current year's EVA bonus earned is added to the accrued EVA bank balance of the preceding year and thereafter one-third is paid out provided the total EVA balance is positive. The remaining two-thirds of the total EVA balance is credited to the executive's EVA Bank for payment in future years, subject to the continued EVA performance of the Company. The EVA bank concept is used to defer incentive compensation over a time horizon to ensure that the executive continues to generate sustainable shareholder value over the longer term.

The EVA bank account is designated on a personal basis and represents the executive's contribution to the EVA performance of the Company. Monies credited into the EVA bank are at risk in that the amount in the bank can decrease should EVA performance turn negative in the future years.

KCL Share Plans

The KCL Share Plans are put in place to increase the Group's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance and to motivate them to continue to strive for the Group's long-term shareholder value. The KCL Share Plans also aim to strengthen the Group's competitiveness in attracting and retaining talented key senior management and employees. The KCL RSP applies to a broader base of employees while the KCL PSP applies to a selected group of key management personnel. Generally, it is envisaged that the range of performance targets to be set under the KCL RSP and the KCL PSP will be different, with the latter emphasising stretched or strategic targets aimed at sustaining longer-term growth.

The RC has the discretion not to award variable incentives in any year if an executive is directly involved in a material restatement of financial statements or of misconduct resulting in restatement of financial statements or of misconduct resulting in financial loss to the Company. Outstanding EVA bank, KCL RSP and KCL PSP are also subject to RC's discretion before further payment or vesting can occur.

Details of the KCL Share Plans are set out in pages 130 to 131 and pages 154 to 157 of this Annual Report.

LEVEL AND MIX OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL (WHO ARE NOT ALSO DIRECTORS OR THE CEO) FOR THE YEAR ENDED 31 DECEMBER 2013

The level and mix of each of the directors' remuneration are set out in Table 3 below:

Table 3

Remuneration & Name of Director	Base/ Fixed Salary ($)	Performance-Related Bonuses Earned[1] (including EVA and non-EVA Bonuses) ($) Paid	Deferred & at Risk	Directors' Total Fees[2] ($) Cash component[7]	Shares component[7]	Benefits -in-Kind ($)	Contingent Awards of Shares[3] ($) PSP	RSP	Total Remuneration ($)
Choo Chiau Beng	1,408,054[4]	2,320,653	3,391,937	–	–	n.m.[5]	535,333[6]	–	7,655,977
Tong Chong Heong	1,021,100	1,616,766	2,275,548	–	–	n.m.	475,200[8]	–	5,388,614
Teo Soon Hoe	1,021,400	1,079,126	1,207,168	–	–	n.m.	657,000	–	3,964,694
Lee Boon Yang	–	–	–	525,000	225,000	–	–	–	750,000
Tony Chew Leong-Chee	–	–	–	130,200	55,800	–	–	–	186,000
Oon Kum Loon	–	–	–	164,500	70,500	–	–	–	235,000
Tow Heng Tan	–	–	–	146,300	62,700	–	–	–	209,000
Alvin Yeo Khirn Hai	–	–	–	119,700	51,300	–	–	–	171,000
Tan Ek Kia	–	–	–	125,650	53,850	–	–	–	179,500
Danny Teoh	–	–	–	172,900	74,100	–	–	–	247,000
Tan Puay Chiang	–	–	–	120,400	51,600	–	–	–	172,000

Notes:

1 The RC is satisfied that the quantum of performance-related bonuses earned by the Senior Executive Directors was fair and appropriate taking into account the extent to which their KPIs for FY 2013 were met.

2 The directors' total fees are subject to shareholders' approval at the Company's annual general meeting.

3 Shares awarded under the KCL PSP and KCL RSP are subject to pre-determined performance targets set over a three-year and a one-year performance period respectively. As at 28 March 2013 (being the grant date), the estimated fair value of each share granted in respect of the contingent awards under the KCL PSP and KCL RSP were $7.30 and $10.54 respectively. For the KCL PSP, the figures are based on the fair value of the PSP shares at 100% of the award and the figures may not be indicative of the actual value at vesting which can range from 0% to 150% of the award.

4 Includes leave encashment of $78,554.

5 n.m. - not material

6 Mr Choo Chiau Beng has retired as CEO and Senior Executive Director of the Company on 1 January 2014 and was appointed as Senior Advisor to the Board of KCL on the same day. The outstanding KCL PSP awards that have not fulfilled the three-year performance period will be pro-rated to his last day of employment service (i.e. 31 December 2013) in accordance with the KCL PSP policy on staff retirement.

7 The amounts stated may be adjusted as indicated on page 99 of this report.

8 Further to the announcement on Mr Tong Chong Heong's retirement on 18 July 2013, he has retired as Senior Executive Director of the Company, and CEO of Keppel Offshore & Marine Ltd, on 1 February 2014. He was appointed as Senior Advisor to the Boards of Keppel Offshore & Marine Ltd and Keppel Infrastructure Holdings Pte Ltd on the same day. Hence, the outstanding KCL PSP awards that have not fulfilled the three-year performance period will be pro-rated to his last day of employment service (i.e. 31 January 2014) in accordance with the KCL PSP policy on staff retirement.

PSP and RSP Shares granted and vested to the Senior Executive Directors are shown below:

Name of Senior Executive Directors	PSP Awards	Vesting Date	Contingent Awards of PSP Shares	Number of PSP Shares Vested	Value of PSP Shares Vested ($)[9]	RSP Awards	Vesting Date	Contingent Awards of RSP Shares	Number of RSP Shares Vested	Value of RSP Shares Vested ($)[9]
Choo Chiau Beng	2010 Awards	28 Feb 2013	0 to 495,000[10]	481,800	5,540,700	2010 Awards	28 Feb 2011	160,000[10]	50,000	585,000
							28 Feb 2012		55,000	607,750
							28 Feb 2013		55,000	632,500
	2011 Awards	28 Feb 2014	0 to 434,800[11]	–	–	2011 Awards	28 Feb 2012	141,642[11]	46,700	516,035
							28 Feb 2013		46,700	537,050
							28 Feb 2014		–	–
	2012 Awards[6]	27 Feb 2015	0 to 227,900[11]	–	–	2012 Awards	–	0	–	–
	2013 Awards[6]	26 Feb 2016	0 to 113,900[11]	–	–	2013 Awards	–	0	–	–
Tong Chong Heong	2010 Awards	28 Feb 2013	0 to 297,000[10]	289,100	3,324,650	2010 Awards	28 Feb 2011	96,000[10]	30,000	351,000
							28 Feb 2012		33,000	364,650
							28 Feb 2013		33,000	379,500
	2011 Awards	28 Feb 2014	0 to 279,500[11]	–	–	2011 Awards	28 Feb 2012	91,057[11]	30,000	331,500
							28 Feb 2013		30,000	345,000
							28 Feb 2014		–	–
	2012 Awards[8]	27 Feb 2015	0 to 194,300[11]	–	–	2012 Awards	–	0	–	–
	2013 Awards[8]	26 Feb 2016	0 to 101,100[11]	–	–	2013 Awards	–	0	–	–
Teo Soon Hoe	2010 Awards	28 Feb 2013	0 to 330,000[10]	321,200	3,693,800	2010 Awards	28 Feb 2011	106,670[10]	33,300	389,610
							28 Feb 2012		36,685	405,369
							28 Feb 2013		36,685	421,878
	2011 Awards	28 Feb 2014	0 to 279,500[11]	–	–	2011 Awards	28 Feb 2012	91,057[11]	30,000	331,500
							28 Feb 2013		30,000	345,000
							28 Feb 2014		–	–
	2012 Awards	27 Feb 2015	0 to 139,800[11]	–	–	2012 Awards	–	0	–	–
	2013 Awards	26 Feb 2016	0 to 139,800[11]	–	–	2013 Awards	–	0	–	–

Notes:

[9] The value of the shares vested under KCL PSP and RSP is computed based on the closing price of the shares on the date on which the shares are listed on SGX-ST. The RC is satisfied that the value of the shares vested under the KCL PSP and RSP to the Senior Executive Directors was fair and appropriate taking into account the extent to which their KPIs and performance conditions for FY 2013 were met.

[10] Arising from the bonus issue of one bonus share for every ten existing ordinary shares in 2011, the RC approved the adjustments to unvested shares under the award.

[11] Arising from the distribution of Keppel REIT unit by way of dividend *in specie* on the basis of one Keppel REIT unit for every five KCL ordinary shares on 8 May 2013 and eight Keppel REIT units for every 100 KCL ordinary shares on 13 September 2013, the RC approved the adjustments to unvested shares under the award.

The total remuneration paid to the key management personnel (who are not directors or the CEO) in FY 2013 was $21,914,000. The level and mix of each of the key management personnel (who are not also directors or the CEO) in bands of $250,000 are set out below:

	Base/ Fixed Salary	Performance-Related Bonuses Earned (including EVA and non-EVA Bonuses)		Benefits-in-Kind	Contingent Awards of Shares	
		Paid	Deferred & at Risk		PSP	RSP
Remuneration Band & Name of Key Management Personnel						
Above $4,750,000 to $5,000,000						
Loh Chin Hua[12]	17%	23%	29%	n.m.	13%	18%
Above $3,750,000 to $4,000,000						
Chow Yew Yuen	15%	20%	25%	n.m.	16%	24%
Above $2,500,000 to $2,750,000						
Ang Wee Gee	25%	27%	24%	n.m.	16%[13]	8%[13]
Chia Hock Chye, Michael	18%	17%	23%	n.m.	17%	25%
Ong Tiong Guan	17%	20%	24%	n.m.	16%	23%
Above $2,250,000 to $2,500,000						
Wong Kok Seng	20%	27%	33%	n.m.	20%	–[14]
Above $1,250,000 to $1,500,000						
Chor How Jat	27%	18%	16%	n.m.	–	39%
Above $750,000 to $1,000,000						
Hoe Eng Hock	52%	30%	18%	n.m.	–	–[14]
Above $500,000 to $750,000						
Pang Hee Hon	53%	13%	5%	n.m.	13%[15]	16%[15]

Notes:

[12] Total remuneration shown above for Mr Loh Chin Hua does not include vested share of carried interests for funds created during the time he was Managing Director at Alpha Investment Partners. These carried interests are only earned at the end of the fund life and depends entirely on the actual performance of the funds after they have been liquidated.

[13] On Keppel Land Ltd ("KLL") share-based compensation scheme. As at 28 March 2013 (being the grant date), the estimated fair value of each share granted in respect of the contingent awards under the KLL PSP and KLL RSP were $2.796 and $3.597 respectively.

[14] With effect from 2012 onwards, officers who are retired and re-employed on contract basis would no longer be eligible to participate in the KCL RSP awards.

[15] On Keppel Telecommunications & Transportation Ltd ("KTT") share-based compensation scheme. As at 3 April 2013 (being the grant date), the estimated fair value of each share granted in respect of the contingent awards under the KTT PSP and KTT RSP were $0.89 and $1.35 respectively.

REMUNERATION OF EMPLOYEES WHO ARE IMMEDIATE FAMILY MEMBERS OF A DIRECTOR OR THE CEO

No employee of the Company and its subsidiaries was an immediate family member of a director or the CEO and whose remuneration exceeded $50,000 during the financial year ended 31 December 2013. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

DETAILS OF THE KCL SHARE PLANS

The KCL Share Plans, which have been approved by shareholders of the Company, are administered by the RC. Please refer to pages 130 to 131 and pages 155 to 157 of this Annual Report for details on the KCL Share Plans.

ACCOUNTABILITY AND AUDIT

Principle 10:

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects

Principle 12:

Establishment of Audit Committee with written terms of reference

The Board is responsible for providing a balanced and understandable assessment of the Company's and Group's performance, position and prospects, including interim and other price-sensitive public reports, and reports to regulators (if required).

The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial reports and other price-sensitive information are disseminated to shareholders through announcements via SGXnet to the SGX, press releases, the Company's website, public webcast and media and analyst briefings.

The Company's Annual Report is accessible on the Company's website. The Company also sends its Annual Report to all its shareholders in CD-ROM format. In line with the Company's drive towards sustainable development, the Company encourages shareholders to read the Annual Report from the CD-ROM or on the Company's website. Shareholders may however request for a physical copy at no cost.

Management provides all members of the Board with management accounts which present a balanced and understandable assessment of the Company's and Group's performance, position and prospects on a monthly basis and as the Board may require from time to time. Such reports keep the board members informed of the Company's and Group's performance, position and prospects.

AUDIT COMMITTEE

The Audit Committee (AC) comprises the following non-executive directors, all of whom are independent:

- Mr Danny Teoh
  Independent Chairman
- Mr Tony Chew Leong-Chee
  Independent Member
- Mrs Oon Kum Loon
  Independent Member
- Mr Alvin Yeo
  Independent Member

Mr Danny Teoh and Mrs Oon Kum Loon have accounting and related financial management expertise and experience. The Board considers Mr Tony Chew as having sufficient financial management knowledge and experience to discharge his responsibilities as a member of the Committee. Mr Alvin Yeo has in-depth knowledge of the responsibilities of the AC and practical experience and knowledge of the issues and considerations affecting the Committee from serving on the audit committee of other listed companies. Mr Danny Teoh and Mrs Oon Kum Loon are both members of the Board Risk Committee (BRC), with Mrs Oon being the Chairman of the BRC.

The AC's primary role is to assist the Board to ensure integrity of financial reporting and that there is in place sound internal control systems. The Committee's responsibilities are set out on page 109 herein.

The AC has explicit authority to investigate any matter within its responsibilities, full access to and co-operation by management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources (including access to external consultants) to enable it to discharge its functions properly. The Company has an internal audit team and together with the external auditors, report their findings and recommendations to the AC independently.

The AC met with the external auditors and with the internal auditors five times during the year, and at least one of these meetings was conducted without the presence of management.

During the year, the AC performed independent review of the financial statements of the Company before the announcement of the Company's quarterly and full-year results. In the process, the Committee reviewed the key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a material impact on the financials.

Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the AC, and highlighted by the external auditors in their quarterly reviews with the AC. In addition, the AC members are invited to the Company's annual finance seminars where relevant changes to the accounting standards that will impact the Keppel Group of Companies are shared by, and discussed with accounting practitioners from one of the leading accounting firms.

The AC also reviewed and approved the Group internal auditor's plan to ensure that the plan covered sufficiently in terms of audit scope in reviewing the significant internal controls of the Company. Such significant controls comprise financial, operational, compliance and information technology controls. All audit findings and recommendations

put up by the internal and the external auditors were forwarded to the AC. Significant issues were discussed at these meetings.

The AC reviewed and approved the Group external auditor's audit plan for the year. The AC also undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees awarded to them, and has confirmed that the non-audit services performed by the external auditors would not affect their independence. For details of fees payable to the auditors in respect of audit and non-audit services, please refer to Note 24 of the Notes to the Financial Statements on page 175 of this Annual Report.

The Company has complied with Rules 712, and Rule 715 read with 716 of the SGX Listing Manual in relation to its auditing firms.

The AC also reviewed the adequacy of the internal audit function and is satisfied that the team is adequately resourced and has appropriate standing within the Company. The AC also reviewed the training costs and programmes attended by the internal audit team to ensure that their technical knowledge and skill sets remain current and relevant.

The AC has reviewed the "Keppel: Whistle-Blower Protection Policy" (the "Policy") which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. To facilitate the management of incidences of alleged fraud or other misconduct, the AC is guided by a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence.

In addition, the AC reviews the Policy yearly to ensure that it remains current. The details of the Policy are set out on page 113 hereto.

On a quarterly basis, management reported to the AC the interested person transactions ("IPTs") in accordance with the Company's Shareholders' Mandate for IPT. The IPTs were reviewed by the internal auditors. All findings were reported during AC meetings.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11:

Sound system of risk management and internal controls

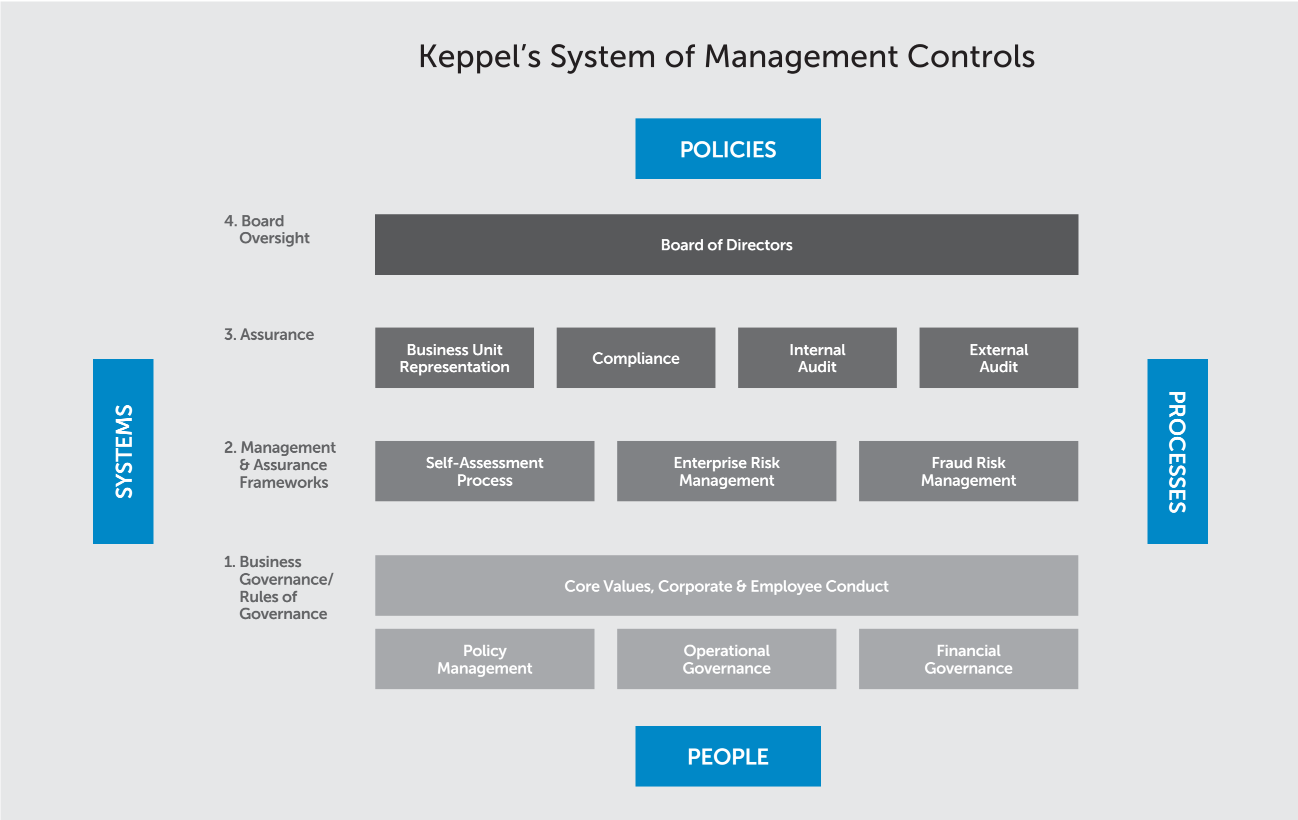
The BRC comprises the following non-executive directors, four out of five of whom (including the Chairman) are independent and the remaining director being a non-executive director who is independent of management; namely:

- Mrs Oon Kum Loon
  Independent Chairman
- Mr Danny Teoh
  Independent Member
- Mr Tow Heng Tan
  Non-Executive
  Non-Independent Member
- Mr Tan Puay Chiang
  Independent Member
- Mr Tan Ek Kia
  Independent Member
  (w.e.f 23 January 2014)

Mrs Oon Kum Loon was appointed Chairman of the Committee because of her wealth of experience in the area of risk management. Prior to serving as Chief Financial Officer in the Development Bank of Singapore (DBS), she was the Managing Director & Head of Group Risk Management, responsible for the development and implementation of a group-wide integrated risk management framework for the DBS group. Mrs Oon is a member of the Company's AC. Mr Danny Teoh, who is the Chairman of the AC, is the second member of the BRC. Mr Danny Teoh was the Managing Partner of KPMG Singapore from October 2005 to October 2010. He was also the Head of Audit and Risk Advisory Services practices in Singapore as well as in Asia, and served on its global team. The third member is Mr Tow Heng Tan who has deep management experience from his extensive business career spanning the management consultancy, investment banking and stock-broking industries. Mr Tow was previously the Chief Investment Officer of Temasek. The fourth member is Mr Tan Puay Chiang, who held various executive management roles in his 37-year career with Mobil and later ExxonMobil, and has in-depth knowledge and experience in the oil and gas industry and wide international exposure. With effect from 23 January 2014, Mr Alvin Yeo retired as a member of the BRC. On the same day, Mr Tan Ek Kia was appointed as the fifth member of the BRC. Mr Tan is a seasoned executive in the oil and gas and petrochemicals businesses and had held senior positions in Shell including Vice President (Ventures and Developments) of Shell Chemicals, Asia Pacific and Middle East region, Managing Director (Exploration and Production) of Shell Malaysia, Chairman of Shell North East Asia and Managing Director of Shell Nanhai Ltd.

The BRC reviews and guides management in the formulation of risk policies and processes to effectively identify, evaluate and manage significant risks, to safeguard shareholders' interests and the Company's assets. The Committee reports to the Board on material findings and recommendations in respect of significant risk matters. The detailed responsibilities of this Committee is disclosed on pages 109 and 110 herein.

The Company's approach to risk management is set out in the "Risk Management" section on pages 116 to 119 of this Annual Report. The Group is guided by a set of Risk Tolerance Guiding Principles, approved by the Board in FY 2013, as disclosed on page 116.



The Company also has in place a Risk Management Assessment Framework which was established to facilitate the Board's assessment on the adequacy and effectiveness of the Group's risk management system. The framework lays out the governing policies, processes and systems pertaining to each of the key risk areas of the Group and assessments are made on the adequacy and effectiveness of the Group's risk management system in managing each of these key risk areas.

KCL's Group Internal Audit also conduct an annual review of the adequacy and effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken by management on the recommendations made by Group Internal Audit and the external auditors in this respect.

The Group also has in place the Keppel's System of Management Controls Framework (the "Framework") outlining the Group's internal control and risk management processes and procedures. The Framework comprises three Lines of Defence towards ensuring the adequacy and effectiveness of the Group's system of internal controls and risk management.

Under the first Line of Defence, management is required to ensure good corporate governance through the implementation and management of policies and procedures relevant to the Group's business scope and environment. Such policies and procedures govern financial, operational, information technology and compliance matters and are reviewed and updated periodically. Employees are also guided by the Group's core values and expected to comply strictly with the Employee Code of Conduct.

Under the second Line of Defence, significant business units are required to conduct self-assessment exercise on an annual basis. This exercise requires such business units to assess the status of their respective internal controls and risk management via self-assessment questionnaires. Action plans would then be drawn up to remedy identified control gaps. Under the Group's Enterprise Risk Management Framework, significant risks areas of the Group are also identified and assessed, with systems, policies and processes put in place to manage and mitigate the identified risks. Fraud risk management processes include mandatory conflict of interest declaration by employees in high-risk positions and the implementation of policies such as the Keppel Whistle-Blower Protection Policy and Employee Code of Conduct to establish a clear tone at the top with regard to employees' business and ethical conduct.

Under the third Line of Defence, to assist the Company to ascertain the

adequacy and effectiveness of the Group's internal controls, business units are required to provide the Company with written assurances as to the adequacy and effectiveness of their system of internal controls and risk management. Such assurances are also sought from the Company's internal and external auditors based on their independent assessments.

The Board, supported by the AC and BRC, oversees the Group's system of internal controls and risk management.

The Board has received assurance from the Chief Executive Officer, Mr Loh Chin Hua and Senior Executive Director, Mr Teo Soon Hoe that, amongst others:

(a) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Group;

(b) the internal controls of the Group are adequate and effective to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business scope and environment and that they are not aware of any material weaknesses in the system of internal controls; and

(c) they are satisfied with the adequacy and effectiveness of the Group's risk management system.

For FY 2013, based on the review of the Group's governing framework, systems, policies and processes in addressing the key risks under the Group's Risk Management Assessment Framework, the monitoring and review of the Group's overall performance and representation from the management, the Board, with the concurrence of the BRC, is of the view that the Group's risk management system remains adequate and effective.

For FY 2013, based on the Group's framework of management control, the internal control policies and procedures established and maintained by the Group, and the regular audits, monitoring and reviews performed by the internal and external auditors, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls are adequate and effective to address the financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business scope and environment.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

INTERNAL AUDIT

Principle 13:

Effective and independent internal audit function that is adequately resourced

The role of the internal auditors is to assist the AC to ensure that the Company maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular in-depth audits of high risk areas. The Company's internal audit functions are serviced in-house ("Group Internal Audit").

Staffed by suitably qualified executives, Group Internal Audit has unrestricted direct access to the AC and unfettered access to all the Group's documents, records, properties and personnel. The Head of Group Internal Audit's primary line of reporting is to the Chairman of the AC, although she reports administratively to the CEO of the Company.

The AC approves the hiring, removal, evaluation and compensation of the Head of Group Internal Audit.

As a corporate member of the Singapore branch of the Institute of Internal Auditors Incorporated, USA ("IIA"), Group Internal Audit is guided by the International Standards for the Professional Practice of Internal Auditing set by the IIA. These standards consist of attribute and performance standards. External quality assessment reviews are carried out at least once every five years by qualified professionals, with the last assessment conducted in 2011, and the results re-affirmed that the internal audit activity conforms to the International Standards. Group Internal Audit staff perform a yearly declaration to confirm their adherence to the Employee Code of Conduct as well as the Code of Ethics established by the IIA, from which the principles of objectivity, competence, confidentiality and integrity are based.

During the year, Group Internal Audit adopted a risk-based auditing approach that focuses on material internal controls, including financial, operational, compliance and information technology controls. An annual audit plan is developed using a structured risk and control assessment framework. Audits are planned based on the results of the assessment, with priority given to auditing all significant business units in the Company, inclusive of limited review performed on dormant and inactive companies. All Group Internal Audit's reports are submitted to the AC for deliberation with copies of these reports extended to the Chairman, CEO and relevant senior management officers. In addition, Group Internal Audit's summary of findings and recommendations are discussed at the AC meetings. To ensure timely and adequate closure of audit findings, the status of implementation of the actions agreed by management is tracked and discussed with the AC.

SHAREHOLDER RIGHTS AND COMMUNICATION WITH SHAREHOLDERS

Principle 14:

Fair and equitable treatment of shareholders and protection of shareholders' rights

Principle 15:
Regular, effective and fair communication with shareholders
Principle 16:
Greater shareholder participation at General Meetings

In addition to the matters mentioned above in relation to "Access to Information/Accountability", the Company's Group Corporate Communications Department (with assistance from the Group Finance and Group Legal Departments, when required) regularly communicates with shareholders and receives and attends to their queries and concerns.

The Company treats all its shareholders fairly and equitably and keeps all its shareholders and other stakeholders informed of its corporate activities, including changes in the Company or its business which would be likely to materially affect the price or value of its shares, on a timely basis.

The Company has in place an Investor Relations Policy which sets out the principles and practices that the Company applies in order to provide shareholders and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field. The Investor Relations Policy is published on the Company's website at www.kepcorp.com.

The Company employs various platforms to effectively engage the shareholders and the investment community, with an emphasis on timely, accurate, fair and transparent disclosure of information. Engagement with shareholders and other stakeholders takes many forms, including 'live' webcasts of quarterly results and presentations, e-mail communications, publications and content on the Company's website. In addition to shareholder meetings, senior management meet with investors, analysts and the media, as well as participate in conference calls, roadshows and industry conferences organised by major brokerage firms throughout the year to solicit and understand the views of the investment community. In FY 2013, the Company held about 230 investor meetings, conference calls and facility visits for Singapore and overseas institutional investors. Senior management went on non-deal roadshows to Australia, Japan, Hong Kong, and the United States. Such meetings provide useful platforms for management to engage with investors and analysts.

Mr Chow Yew Yuen, CEO of Keppel O&M, engages stakeholders regularly.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXnet and the press. To ensure a level playing field and provide confidence to shareholders, unpublished price-sensitive information are not selectively disclosed, and on the rare occasion when such information are inadvertently disclosed, they are immediately released to the public via SGXnet and the press.

The Company ensures that shareholders have the opportunity to participate effectively and vote at shareholders' meeting. Shareholders are informed of shareholders' meetings through notices published in the newspapers and via SGXnet, and reports or circulars sent to all shareholders. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. Shareholders are also informed of the rules, including voting procedures, governing such meetings.

If any shareholder is unable to attend, he is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance.

At shareholders' meetings, each distinct issue is proposed as a separate resolution. To ensure transparency, the Company conducts electronic poll voting for shareholders/proxies present at the meeting for all the resolutions proposed at the general meeting. Votes cast for and against and the respective percentages, on each resolution will be displayed 'live' to shareholders/proxies immediately after each poll conducted. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the general meeting via SGXnet.

The Chairmen of the Board and each board committee are required to be present to address questions at general meetings of shareholders. External auditors are also present at such meetings to assist the directors

in addressing shareholders' queries, if necessary.

The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The Company Secretaries prepare minutes of shareholders' meetings, which incorporate substantial comments or queries from shareholders and responses from the Board and management. These minutes are available to shareholders upon their requests.

SECURITIES TRANSACTIONS

INSIDER TRADING POLICY

The Company has a formal Insider Trading Policy and Guidelines on Disclosure of Dealings in Securities on dealings in the securities of the Company and its listed subsidiaries, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations. The policy has been distributed to the Group's directors and officers. In compliance with Rule 1207(19) of the Listing Manual on best practices on dealing in securities, the Company issues circulars to its directors and officers informing that the Company and its officers must not deal in listed securities of the Company one month before the release of the full-year results and two weeks before the release of quarterly results, and if they are in possession of unpublished price-sensitive information.

APPENDIX

BOARD COMMITTEES – RESPONSIBILITIES

A. AUDIT COMMITTEE

1.1 Review financial statements and formal announcements relating to financial performance, and review significant financial reporting issues and judgments contained in them, for better assurance of the integrity of such statements and announcements.

1.2 Review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties).

1.3 Review audit plans and reports of the external auditors and internal auditors, and consider the effectiveness of actions or policies taken by management on the recommendations and observations.

1.4 Review the independence and objectivity of the external auditors.

1.5 Review the nature and extent of non-audit services performed by the auditors.

1.6 Meet with external auditors and internal auditors, without the presence of management, at least annually.

1.7 Make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors.

1.8 Review the adequacy and effectiveness of the Company's internal audit function, at least annually.

1.9 Ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, at least annually.

1.10 Approve the hiring, removal evaluation and compensation of the head of the internal audit function, or the accounting / auditing firm or corporation to which the internal audit function is outsourced.

1.11 Review the policy and arrangements by which employees of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow up action to be taken.

1.12 Review interested person transactions.

1.13 Investigate any matters within the Committee's purview, whenever it deems necessary.

1.14 Report to the Board on material matters, findings and recommendations.

1.15 Review the Committee's terms of reference annually and recommend any proposed changes to the Board.

1.16 Perform such other functions as the Board may determine.

1.17 Sub-delegate any of its powers within its terms of reference as listed above from time to time as the Committee may deem fit.

B. BOARD RISK COMMITTEE

1.1 Receive, as and when appropriate, reports and recommendations from management on risk tolerance and strategy, and recommend to the Board for its determination the nature and extent of significant risks which the Group overall may take in achieving its strategic objectives and the overall Group's levels of risk tolerance and risk policies.

1.2 Review and discuss, as and when appropriate, with management the Group's risk governance structure and its risk policies, risk mitigation and monitoring processes and procedures.

1.3 Receive and review at least quarterly reports from management on major risk exposures and the steps taken to monitor, control and mitigate such risks.

1.4 Review the Group's capability to identify and manage new risk types.

1.5 Review and monitor management's responsiveness to the findings and recommendations of the internal risk division.

1.6 Provide timely input to the Board on critical risk issues.

1.7 Review the Committee's terms of reference annually and recommend any proposed changes to the Board.

1.8 Perform such other functions as the Board may determine.

1.9 Sub-delegate any of its powers within its terms of reference as listed above from time to time as the Committee may deem fit.

C. NOMINATING COMMITTEE

1.1 Recommend to the Board the appointment/re-appointment of directors.

1.2 Annual review of balance and diversity of skills, experience, gender and knowledge required by the Board, and the size of the Board which would facilitate decision making.

1.3 Annual review of independence of each director, and to ensure that the Board comprises at least one-third independent directors. In this connection, the Nominating Committee should conduct particularly rigorous review of the independence of any director who has served on the Board beyond nine years from the date of his first appointment.

1.4 Decide, where a director has other listed company board representation and/or other principal commitments, whether the director is able to and has been adequately carrying out his duties as director of the Company.

1.5 Recommend to the Board the process for the evaluation of the performance of the Board, the board committees and individual directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each director.

1.6 Assess annually the effectiveness of the Board as a whole and individual directors.

1.7 Review the succession plans for the Board (in particular, the Chairman) and senior management (in particular, the CEO).

1.8 Review talent development plans.

1.9 Review the training and professional development programmes for board members.

1.10 Review and, if deemed fit, approve recommendations for nomination of candidates as nominee director (whether as chairman or member) to the board of directors of investee companies which are:

(i) listed on the Singapore Exchange or any other stock exchange;

(ii) managers or trustee-managers of any collective investment schemes, business trusts, or any other trusts which are listed on the Singapore Exchange or any other stock exchange; and

(iii) parent companies of the Company's core businesses which are unlisted (that is, as at the date hereof, Keppel Offshore & Marine Ltd and Keppel Infrastructure Holdings Pte Ltd),

1.11 Report to the Board on material matters and recommendations.

1.12 Review the Committee's terms of reference annually and recommend any proposed changes to the Board.

1.13 Perform such other functions as the Board may determine.

1.14 Sub-delegate any of its powers within its terms of reference as listed above, from time to time as this Committee may deem fit.

D. REMUNERATION COMMITTEE

1.1 Review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each director as well as for the key management personnel.

1.2 Review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous.

1.3 Consider whether directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive scheme).

1.4 Administer the Company's employee share option scheme (the "KCL Share Option Scheme"), and the Company's Restricted Share Plan and Performance Share Plan (collectively, the "KCL Share Plans"), in accordance with the rules of the KCL Share Option Scheme and KCL Share Plans.

1.5 Report to the Board on material matters and recommendations.

1.6 Review the Committee's terms of reference annually and recommend any proposed changes to the Board.

1.7 Perform such other functions as the Board may determine.

1.8 Sub-delegate any of its powers within its terms of reference as listed above, from time to time as the Committee may deem fit.

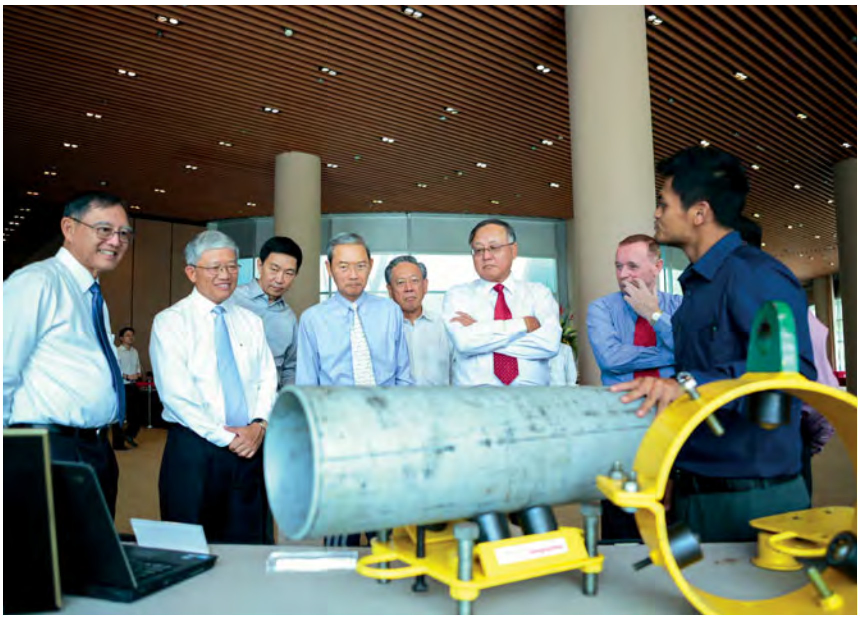
Save that a member of this Committee shall not be involved in the deliberations in respect of any remuneration, compensation, award of shares or any form of benefits to be granted to him.

E. BOARD SAFETY COMMITTEE

1.1 Review and examine the effectiveness of Group companies' safety management system, including training and monitoring systems, to ensure that a robust safety management system is maintained.

1.2 Review and examine Group companies' safety procedures against industry best practices, and monitor its implementation.

1.3 Provide a discussion forum on developments and best practices in safety standards and practices, and the feasibility of implementing such developments and best practices.



The Board Safety Committee examines the effectiveness of Keppel's safety management system, including training and monitoring practices.

1.4 Assist in enhancing safety awareness and culture within the Group.

1.5 Ensure that the safety functions in Group companies are adequately resourced (in terms of number, qualification, and budget) and have appropriate standing within the organisation.

1.6 Consider management's proposals on safety-related matters.

1.7 Carry out such investigations into safety-related matters as the Committee deems fit.

1.8 Report to the Board on material matters, findings and recommendations.

1.9 Perform such other functions as the Board may determine.

1.10 Sub-delegate any of its powers within its terms of reference as listed above from time to time as the Committee may deem fit.

NATURE OF CURRENT DIRECTORS' APPOINTMENTS AND MEMBERSHIPS ON BOARD COMMITTEES

		Committee Membership				
Director	Board Membership	Audit	Nominating	Remuneration	Risk	Safety
Lee Boon Yang	Chairman	–	Member	Member	–	Member
Loh Chin Hua	Chief Executive Officer	–	–	–	–	Member
Tony Chew Leong-Chee	Independent	Member	Chairman	–	–	–
Oon Kum Loon	Independent	Member	–	Member	Chairman	–
Tow Heng Tan	Non-Independent & Non-Executive	–	Member	Member	Member	–
Alvin Yeo Khirn Hai	Independent	Member	Member	–	–	–
Tan Ek Kia	Independent	–	Member	–	Member	Chairman
Danny Teoh	Independent	Chairman	–	Chairman	Member	–
Tan Puay Chiang	Independent	–	–	–	Member	Member
Teo Soon Hoe	Senior Executive Director	–	–	–	–	–

BOARD ASSESSMENT

EVALUATION PROCESSES

Board

Each board member is required to complete a Board Evaluation Questionnaire and send the Questionnaire direct to the Independent Co-ordinator ("IC") within five working days. An "Explanatory Note" is attached to the Questionnaire to clarify the background, rationale and objectives of the various performance criteria used in the Board Evaluation Questionnaire with the aim of achieving consistency in the understanding and interpretation of the questions. Based on the returns from each of the directors, the Independent Co-ordinator prepares a consolidated report and briefs the Chairman of the Nominating Committee ("NC") and the Board Chairman on the report. Thereafter, the IC presents the report for discussion at a meeting of the non-executive directors ("NEDs"), chaired by the Board Chairman. The IC will thereafter present the report to the Board together with the recommendations of the NEDs for discussion on the changes which should be made to help the Board discharge its duties more effectively.

Individual Directors

The Board differentiates the assessment of an executive director from that of an NED.

In the case of the assessment of the individual executive director, each NED is required to complete the executive director's assessment form and send the form directly to the IC within five working days. It is emphasised that the purpose of the assessment is to assess each of the executive directors on their respective performance on the Board (as opposed to their respective executive performance). The executive directors are not required to perform a self, nor a peer, assessment. Based on the returns from each of the NEDs, the IC prepares a consolidated report and briefs the NC Chairman and Board Chairman on the report. Thereafter, the IC presents the report for discussion at a NED meeting, chaired by the Board Chairman. The NC Chairman will thereafter meet with the executive directors individually to provide the necessary feedback on their respective board performance with a view to improving their board performance and shareholder value.

As for the assessment of the performance of the NEDs, each director (both non-executive and executive) is required to complete the NED's assessment form and send the form directly to the IC within five working days. Each NED is also required to perform a self-assessment in addition to a peer assessment. Based on the returns, the IC prepares a consolidated report and briefs the NC Chairman and Board Chairman on the report. Thereafter, the IC presents the report for discussion at a meeting of the NEDs, chaired by the Board Chairman. The IC will thereafter present the report to the Board together with the recommendations of the NEDs. The NC Chairman will thereafter meet with the NEDs individually to provide the necessary feedback on their respective board performance with a view to improving their board performance and shareholder value.

Chairman

The Chairman Evaluation Form is completed by each director (both non-executive and executive) and sent directly to the IC within five working days. Based on the returns, the IC prepares a consolidated report and briefs the NC Chairman and Board Chairman on the report. Thereafter, the IC presents the report for discussion at a meeting of the NEDs, chaired by the Board Chairman. The IC will thereafter present the report to the Board together with the recommendations of the NEDs.

PERFORMANCE CRITERIA

The performance criteria for the board evaluation are in respect of the board size, board and board committee composition, board independence, board processes, board information and accountability, board performance in relation to discharging its principal functions and ensuring the integrity and quality of financial reporting to stakeholders, board committee performance in relation to discharging their responsibilities set out in their respective terms of reference.

The individual director's performance criteria are categorised into four segments; namely, (1) interactive skills (under which factors as to whether the director works well with other directors, and participates actively are taken into account); (2) knowledge (under which factors as to the director's industry and business knowledge, functional expertise, whether he provides valuable inputs, his ability to analyse, communicate and contribute to the productivity of meetings, and his understanding of finance and accounts, are taken into consideration); (3) director's duties (under which factors as to the director's board committee work contribution, whether the director takes his role of director seriously and works to further improve his own performance, whether he listens and discusses objectively and exercises independent judgment, and meeting preparation are taken into consideration); and (4) availability (under which the director's attendance at board and board committee meetings, whether he is available when needed, and his informal contribution via e-mail, telephone, written notes etc are considered).

The assessment of the Chairman of the Board is based on, among others, his ability to lead, whether he established proper procedures to ensure the effective functioning of the Board, whether he ensured that the time devoted to board meetings were appropriate (in terms of number of meetings held a year and duration of each board meeting) for effective discussion and decision-making by the Board, whether he ensured that information provided to the Board was adequate (in terms of adequacy and timeliness) for the Board to make informed and considered decisions, whether he guided discussions effectively so that there was timely resolution of issues, whether he ensured that meetings were conducted in a manner that facilitated open communication and meaningful participation, and whether he ensured that board committees were formed where appropriate, with clear terms of reference, to assist the Board in the discharge of its duties and responsibilities.

KEPPEL WHISTLE-BLOWER PROTECTION POLICY

Keppel Whistle-Blower Protection Policy (the "Policy") took effect on 1 September 2004 to encourage reporting in good faith of suspected Reportable Conduct (as defined below) by establishing clearly defined processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

Reportable Conduct refers to any act or omission by an employee of the Group or contract worker appointed by a company within the Group, which occurred in the course of his or her work (whether or not the act is within the scope of his or her employment) which in the view of a Whistle-Blower acting in good faith, is:

(a) dishonest, including but not limited to theft or misuse of resources within the Group;
(b) fraudulent;
(c) corrupt;
(d) illegal;
(e) other serious improper conduct;
(f) an unsafe work practice; or
(g) any other conduct which may cause financial or non-financial loss to the Group or damage to the Group's reputation.

A person who files a report or provides evidence which he knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the Policy and may be subject to administrative and/or disciplinary action.

Similarly, a person may be subject to administrative and/or disciplinary action if he subjects (i) a person who has made or intends to make a report in accordance with the Policy, or (ii) a person who was called or may be called as a witness, to any form of reprisal which would not have occurred if he did not intend to, or had not made the report or be a witness.

The General Manager (Internal Audit) is the Receiving Officer for the purposes of the Policy and is responsible for the administration, implementation and overseeing ongoing compliance with the Policy. She reports directly to the Audit Committee (AC) Chairman on all matters arising under the Policy.

REPORTING MECHANISM

The Policy emphasises that the role of the Whistle-Blower is as a reporting party, and that Whistle-Blowers are not to investigate, or determine the appropriate corrective or remedial actions that may be warranted.

Employees are encouraged to report suspected Reportable Conduct to their respective supervisors who are responsible for promptly informing the Receiving Officer, who in turn is required to promptly report to the AC Chairman, of any such report. The supervisor must not start any investigation in any event. If any of the persons in the reporting line prefers not to disclose the matter to the supervisor and/or Receiving Officer (as the case may be), he may make the report directly to the Receiving Officer or the AC Chairman.

Other Whistle-Blowers may report a suspected Reportable Conduct to either the Receiving Officer or the AC Chairman.

All reports and related communications made will be documented by the person first receiving the report. The information disclosed should be as precise as possible so as to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures to be undertaken.

INVESTIGATION

The AC Chairman will review the information disclosed, interview the Whistle-Blower(s) when required and, either exercising his own discretion or in consultation with the other AC members, determine whether the circumstances warrant an investigation and if so, the appropriate investigative process to be employed and corrective actions (if any) to be taken. The AC Chairman will use his best endeavours to ensure that there is no conflict of interests on the part of any person involved in the investigations.

All employees have a duty to cooperate with investigations initiated under the Policy. An employee may be placed on administrative leave or investigatory leave when it is determined by the AC Chairman that it would be in the best interests of the employee, the Company or both. Such leave is not to be interpreted as an accusation or a conclusion of guilt or innocence of any employee, including the employee on leave. All participants in the investigation must also refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. In no circumstance should such persons discuss matters relating to the investigation with the person(s) who is/are subject(s) of the investigation ("Investigation Subject(s)").

Identities of Whistle-Blower, participants of the investigations and the Investigation Subject(s) will be kept confidential to the extent possible.

NO REPRISAL

No person will be subject to any reprisal for having made a report in accordance with the Policy or having participated in the investigation. A reprisal means personal disadvantage by:

(a) dismissal;
(b) demotion;
(c) suspension;
(d) termination of employment / contract;
(e) any form of harassment or threatened harassment;
(f) discrimination; or
(g) current or future bias.

Any reprisal suffered may be reported to the Receiving Officer (who shall refer the matter to the AC Chairman) or directly to the AC Chairman. The AC Chairman shall review the matter and determine the appropriate actions to be taken. Any protection does not extend to situations where the Whistle-Blower or witness has committed or abetted the Reportable Conduct that is the subject of allegation. However, the AC Chairman will take into account the fact that he or she has cooperated as a Whistle-Blower or a witness in determining the suitable disciplinary measure to be taken against him or her.

Code of Corporate Governance 2012
Specific Principles and Guidelines for Disclosure

Relevant Guideline or Principle	Page Reference in this Report
Guideline 1.3 Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	Page 92
Guideline 1.4 The number of meetings of the Board and board committees held in the year, as well as the attendance of every board member at these meetings	Page 93
Guideline 1.5 The type of material transactions that require board approval under guidelines	Pages 92 and 93
Guideline 1.6 The induction, orientation and training provided to new and existing directors	Page 93
Guideline 2.3 The Board should identify in the Company's Annual Report each director it considers to be independent. Where the Board considers a director to be independent in spite of the existence of a relationship as stated in the Code that would otherwise deem a director not to be independent, the nature of the director's relationship and the reasons for considering him as independent should be disclosed	Page 94
Guideline 2.4 Where the Board considers an independent director, who has served on the Board for more than nine years from the date of his first appointment, to be independent, the reasons for considering him as independent should be disclosed	Page 94
Guideline 3.1 Relationship between the Chairman and the CEO where they are immediate family members	Not Applicable
Guideline 4.1 Names of the members of the NC and the key terms of reference of the NC, explaining its role and the authority delegated to it by the Board	Pages 95 and 110
Guideline 4.4 The maximum number of listed company board representations which directors may hold should be disclosed	Page 97
Guideline 4.6 Process for the selection, appointment and re-appointment of new directors to the Board, including the search and nomination process	Page 96
Guideline 4.7 Key information regarding directors, including which directors are executive, non-executive or considered by the NC to be independent	Pages 21 to 25 and 94
Guideline 5.1 The Board should state in the Company's Annual Report how assessment of the Board, its board committees and each director has been conducted. If an external facilitator has been used, the Board should disclose in the Company's Annual Report whether the external facilitator has any other connection with the Company or any of its directors.	Pages 97 and 112
Guideline 7.1 Names of the members of the RC and the key terms of reference of the RC, explaining its role and the authority delegated to it by the Board	Pages 98 and 110
Guideline 7.3 Names and firms of the remuneration consultants (if any) should be disclosed in the annual remuneration report, including a statement on whether the remuneration consultants have any relationships with the Company	Page 98
Guideline 9 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration	Pages 99 to 103
Guideline 9.1 Remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the Company. The annual remuneration report should include the aggregate amount of any termination, retirement and post-employment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO)	Pages 101 to 103

Relevant Guideline or Principle	Page Reference in this Report
Guideline 9.2 Fully disclose the remuneration of each individual director and the CEO on a named basis. There will be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives	Pages 101 and 102
Guideline 9.3 Name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S$250,000. There will be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel	Page 103
Guideline 9.4 Details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S$50,000	Page 104
Guideline 9.5 Details and important terms of employee share schemes	Pages 104,130,131, 155 to 157
Guideline 9.6 For greater transparency, companies should disclose more information on the link between remuneration paid to the executive directors and key management personnel, and performance. The annual remuneration report should set out a description of performance conditions to which entitlement to short-term and long-term incentive schemes are subject, an explanation on why such performance conditions were chosen, and a statement of whether such performance conditions are met	Page 100
Guideline 11.3 The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems The commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems The Board should also comment on whether it has received assurance from the CEO and the CFO: (a) that the financial records have been properly maintained and the financial statements give true and fair view of the company's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems	Pages 104 to 107
Guideline 12.1 Names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the Board	Pages 104 and 109
Guideline 12.6 Aggregate amount of fees paid to the external auditors for that financial year, and breakdown of fees paid in total for audit and non-audit services respectively, or an appropriate negative statement	Pages 105 and 174 to 175
Guideline 12.7 The existence of a whistle-blowing policy should be disclosed in the Company's Annual Report	Page 113
Guideline 12.8 Summary of the AC's activities and measures taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements	Page 104
Guideline 15.4 The steps the Board has taken to solicit and understand the views of the shareholders e.g. through analyst briefings, investor roadshows or Investors' Day briefings	Page 108
Guideline 15.5 Where dividends are not paid, companies should disclose their reasons	Not Applicable

Risk Management

1

As a conglomerate operating in over 30 countries, Keppel is exposed to diverse risks relating to its industries, the competition, technology advancement, policies and regulations, finance and human resources among others, which could impact its businesses.

The Group responds to these potential threats by maintaining a robust risk management system and processes, which will equip it to manage the challenges, as well as seize opportunities in an uneven business terrain.

ROBUST ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Board is responsible for governing risks and ensuring that the management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets. Assisted by a Board Risk Committee (BRC), the Board provides valuable advice to the management in formulating various risk policies and guidelines. Terms of reference of the BRC are disclosed on page 109 to 110 of this Report.

During the year, the Board approved three risk tolerance guiding principles for the Group. These guiding principles serve to determine the nature and extent of the significant risks, which the Board is willing to take in achieving its strategic objectives.

These three risk tolerance guiding principles are:

1. Risk taken should be carefully evaluated, commensurate with rewards and in line with the Group's core strengths and strategic objectives.
2. No risk arising from any single area of operation, investment or undertaking should be so huge as to endanger the entire Group.
3. The Group adopts zero tolerance towards safety incidents, non-compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

The management surfaces key risk issues for discussion and confers with the BRC and the Board regularly. The Company's risk governance framework is set out under pages 105 to 107 under Principle 11 (Risk Management and Internal Controls). The risk management assessment framework was also established to facilitate management and BRC in determining the adequacy and effectiveness of the risk management system within the Group. Ongoing improvements are made to strengthen the existing risk governance. As part of the control assurance process, Keppel Corporation is in the process of implementing the Control Self-Assessment and a Group-wide IT risk assessment. Keppel's Enterprise Risk Management (ERM) framework, a component of Keppel's System of Management Controls, provides the Group with a holistic and systematic approach in risk management. It outlines the reporting structure, monitoring mechanisms, as well as specific risk management processes and tools, including Group policies and limits, in addressing the key risks in the Group. These collectively enable the Group to monitor closely any potential operational, financial and reputational impact arising from its key risks.

The ERM framework is reviewed regularly, taking into account changes in the business and operating environments, as well as evolving corporate governance requirements. It adapts risk management practices set out in the ISO 31000:2009 standards, Singapore Standard ISO 22313 for Business Continuity Management (BCM), as well as the Singapore Code of Corporate Governance.

The Group also keeps abreast of latest developments and good practices in risk management by participating in seminars and interacting with practitioners in the field. An ERM Committee, comprising management-nominated champions from across business units, drives and coordinates Group-wide risk management initiatives.

Risk management is an integral part of strategic, operational and financial decision-making processes at all levels of the Group. Despite best efforts, the Group recognises that risks can never be entirely eliminated, especially in an evolving landscape of uncertainties and vulnerabilities. Moreover, the cost of minimising these risks may also outweigh their potential benefits.

STRATEGIC RISK

Strategic risks pertain to the Group's business plans and strategies, as well as uncertainties associated with the

countries and industries in which Keppel operates. These include changing laws and regulations; evolving competitive landscape; changing customer demands; shifting technology and product innovation.

Risk considerations form an integral part of the Group's strategic and budget reviews, policy formulation and revision, projects, investments as well as in the assessment of management performance. Strategic risks are reviewed periodically with the Board to ensure that the Group is resilient in dealing with adversity and agile in pursuing opportunities.

At the macro level, the BRC guides the Group in formulating and reviewing its risk policies and limits. The Group's risk-related policies and limits are subject to periodic reviews to ensure that these continue to support business objectives, effectively and proactively address risks faced in business operations and consider the prevailing business climate and the Group's risk appetite.

Keppel's investment decisions are guided by investment parameters set on a Group-wide basis. All major investments are subject to due diligence processes and are evaluated by the Investment and Major Project Action Committee and/or the Board.

This ensures that the potential investments are in line with the Group's strategic business focus, consider the underlying risk factors, and meet the required risk-adjusted rate of return.

The systematic evaluation process requires the investment team to identify and incorporate the risks and corresponding mitigating actions into the investment proposals.

Investment risk assessment encompasses rigorous due diligence, feasibility studies and sensitivity analyses of key investment assumptions and variables. Some of the key risks considered pertain to whether the proposed investment is aligned to the Group's strategy, the financial viability of the business model, political and regulatory developments in the country of investment and the contractual risk implications to the Group.

Impact assessment and stress-testing analysis are performed to gauge the Group's exposure to changing market situations, as well as to enable informed decision-making and prompt mitigating actions. On a regular basis, the Group also monitors changes in concentration exposures associated with its investments in the countries where it operates.

Effective risk management hinges equally on mindsets and attitudes, as well as systems and processes. The management is committed to foster a strong risk-centric culture in the Group, which encourages prudent risk-taking in decision-making and business processes.

2

1. The annual joint emergency exercise with Singapore's Home Team tests and strengthens Keppel O&M's emergency response plans.

2. Emergency drills were held to ensure that operations are crisis-ready.

Risk Management

Close monitoring of the changes in the business, economic, political, regulatory and competitive landscape in the countries where the Group has operations gives the management better insights into impending developments.

OPERATIONAL RISK

The effectiveness and efficiency of employees, integrity of internal controls, systems and processes, as well as external events are areas of risks associated to the Group's operations.

Integrating risk management processes with business operations and project execution across all business units facilitates early risk detection and proactive management of these risks. Formalised guidelines, procedures, internal training and tools are used to provide guidance in assessing, mitigating and monitoring risks. Knowledge-sharing platforms are also advocated to propagate good practices and lessons learnt from various projects and operations.

The Group's operations are mainly project-based, and executed over extended periods of time. The Group adopts a standardised, systematic risk assessment and monitoring process to help manage the spectrum of key risks throughout the lifespan of each project. The tender team, comprising experts from different disciplines, evaluates the significant risks of potential projects. Particular attention is given to technically challenging and high-value projects, including green-field developments and those that involve novel technology or operations in a new country.

As a pre-emptive measure, project reviews and quality assurance programmes are instituted to monitor and address key risks involving cost, schedule and quality at the execution stage. Health, safety and environmental risks are key areas subjected to close monitoring and oversight by dedicated committees. Project teams and management also use Key Risk Indicators as early warning signals of related execution risks. These systems have been established to ensure that projects are completed on time, within budget and safely, while achieving the quality standards and specifications defined in the contracts with customers.

As part of its risk-mitigating actions, the Group regularly reviews the scope, type and adequacy of its insurance coverage taking into account the availability of such cover and its cost, as well as the likelihood and magnitude of potential risks involved. This exercise is carried out with the advice and support of selected insurance brokers.

1

FINANCIAL RISK

Financial risk management relates to the Group's ability to meet financial obligations and mitigate credit, liquidity, currency, interest rate and price risks. The Group's policies and financial authority limits are reviewed periodically to incorporate changes in the operating and control environment.

The Group continues to focus on improving financial discipline, deploying its capital to earn the best risk-adjusted returns and maintaining a strong balance sheet to seize opportunities. An example of these processes includes evaluating counterparties against pre-established guidelines. For more details on financial risk management, please refer to page 86 of this Report.

BOLSTERING OPERATIONAL READINESS

The Group is committed to enhancing its operational resilience through the establishment of a robust BCM plan that will equip it to respond effectively to potential crises and external threats, while minimising any impact on its people, operations and assets.

The Group is constantly scanning for emergent threats that may affect its global operations. Its BCM methodology involves enterprise-wide planning, the prioritising of key resources and working with interdependencies to support business continuity.

Led by their BCM committees, business units in various locations conduct a range of simulations under a broad spectrum of disruptions to enhance their operational preparedness. These plans are tested and refined frequently to ensure that the responses developed are feasible and effective. The business continuity plan enables the Group to respond effectively to disruptions resulting from internal and external events while it continues to operate its critical business functions.

2

The Group's crisis management and communication plans are also continually reviewed and refined to equip it to respond to crises in an orderly and coordinated way, as well as to expedite recovery. The focus is on building resilience and capabilities to counter crises effectively and safeguard the interests of key stakeholders and the Group's reputation. Crisis communication procedures have also been embedded into the Group's BCM processes.

ENHANCING RISK-CENTRIC CULTURE

Effective risk management hinges equally on mindsets and attitudes, as well as systems and processes. The management is committed to foster a strong risk-centric culture in the Group, which encourages prudent risk-taking in decision-making and business processes.

ERM workshops are conducted regularly to enhance risk management competency of management staff. Continuous education and communications through various forums and in-house publications have also helped to reinforce discipline and awareness among employees. The Company also seeks to raise staff accountability for risk management through the performance evaluation process.

PROACTIVE RISK MANAGEMENT

The Group will continue to review and refine its risk management methodology, systems and processes, to ensure that its risk management system remains adequate and effective. A robust risk management system will strengthen the Group's operational resilience and equip it to respond to challenges and capture growth opportunities.

1. The Group takes a proactive approach towards environmental management and protection and propagates best practices through knowledge-sharing platforms – in photo, Mr Khaw Boon Wan, Singapore's Minister for National Development, (second from right), during a tour of Ocean Financial Centre hosted by Mr Ang Wee Gee, CEO of Keppel Land (third from right).

2. Keppel's robust BCM measures equip the Group to respond effectively to external threats.

Environmental Performance

We are committed to conduct business in a manner that is environmentally-benign. Risk and sustainability-based strategies are used to assess, avoid, reduce and mitigate environmental risks and impacts by operations across the Group.

ENHANCING ENERGY EFFICIENCY

In 2013, Keppel's businesses groupwide continued to improve resource efficiencies through process improvements and the development and adoption of more efficient equipment and technology.

The Group's Offshore & Marine Division collaborated with equipment manufacturers and developed energy efficient blowers for use in shipyard operations, as well as systems for cranes to convert kinetic energy from braking into usable electricity.

In the Infrastructure Division, Keppel Seghers and Keppel DHCS continued to incorporate renewable energy and innovative green technology. The Keppel Seghers Ulu Pandan NEWater Plant and Keppel DHCS Plant at Changi Business Park harness solar energy with photovoltaic cell installations of one megawatt-peak and 510 kilowatt-peak systems respectively, which are among the largest in Singapore. The systems have been generating renewable energy since early 2013.

MEETING GREEN STANDARDS

Keppel FELS' rigs are designed and built to International Maritime Organisation Marine Environment Protection Committee standards. Keppel FELS has further implemented the superior zero-discharge system in several of its rig designs, including the KFELS SSDT™ semisubmersible drilling tender and KFELS Super A Class harsh-environment jackup. By exceeding international standards, Keppel FELS helps customers further minimise environmental pollution at sites where they operate.

Keppel Land adopts a proactive approach towards environmental management and protection to create a sustainable future. The company aims to achieve at least the Building and Construction Authority (BCA) Green Mark Gold Plus and Gold standards for all of its new properties in Singapore and overseas respectively. By 2015, the Company also targets for all of its completed commercial buildings in Singapore to achieve at least the BCA Green Mark Gold Plus standard.

MANAGING RESOURCES

The Group continually seeks ways to reduce water use and preserve water quality through the design and operation of our facilities, recycling and reusing, and measures to prevent water pollution.

REDUCING WASTE & EMISSIONS

Groupwide, we minimise waste by recycling or reusing materials where possible. At Keppel Logistics, materials utilised during operations, such as wooden pallets and stretch wraps, are reused or recycled. Keppel Logistics' environmentally-friendly practices extend to the services that it offers to clients. The company is one of the pioneers of 'reverse logistics', which helps reduce waste due to faulty products, thus generating more value for clients.

Emissions from the Group's power generation and Waste-to-Energy (WTE) businesses are well below the strict limits stipulated by Singapore's Code on Pollution Control and the European Union's Waste Incineration Directive (2000/76/EC). The Group continues to carry out regular maintenance and upgrades for its facilities to improve performance. Emissions for the Keppel Seghers Senoko WTE Plant improved following the successful completion of its flue gas treatment upgrade project.

1

1. The Keppel Seghers Ulu Pandan NEWater Plant features one of the largest photovoltaic cell installations in Singapore.

2. Ocean Financial Centre is the first office development in Singapore to achieve the highest BCA Green Mark Platinum Award, and is the Guinness World Record Holder for the World's Largest Vertical Garden.

SUSTAINING GROWTH

Product Excellence

2

Keppel is committed to deliver products and services that are world-class, reliable and sought after for their high quality, safety and enduring value.

QUALITY EXECUTION

Keppel FELS, a wholly-owned subsidiary of Keppel Offshore & Marine (Keppel O&M), is a leading designer, builder and repairer of high-performance mobile offshore rigs. In particular, its proprietary KFELS B Class jackup design, developed by its technology arms Offshore Technology Development and Bennett Offshore, has become the industry benchmark for jackups, with over 70 units delivered and on order.

Our hallmark quality also characterises Keppel's property business. As a leading developer, Keppel Land's sterling portfolio of award-winning and sustainable developments such as Ocean Financial Centre, Marina Bay Financial Centre and Reflections at Keppel Bay contribute towards the creation of distinctive skylines and vibrant communities.

INNOVATION FOCUS

One of the Group's key drivers of growth is its focus on research and development. In 2013, Keppel Corporation and the National University of Singapore (NUS) announced the setting up of the Keppel-NUS Corporate Laboratory, in collaboration with Singapore's National Research Foundation. The laboratory will create a synergistic industry-university partnership to pursue research thrusts to meet the challenges of the offshore industry.

GLOBAL FOOTPRINT

The Group's *Near Market, Near Customer* strategy is bolstered by our global presence in over 30 countries. This strategy enables us to stay abreast of market trends and be responsive to customers' changing needs globally.

Notably, in 2013, Keppel O&M extended its global footprint with the signing of a Memorandum of Understanding (MOU) with subsidiaries of Mexico's national oil company PEMEX, to jointly develop, own and operate a yard facility located in Altamira in Mexico. When the first phase of yard development is completed, the yard will support the construction of six KFELS B Class jackups for PEMEX.

CUSTOMER HEALTH & SAFETY

Due care and diligence are exercised in the design, construction, and operation of the Group's products and services to ensure that they are fit for their intended use and do not pose hazards to customers' health and safety. Health and safety impacts during all life cycle stages of the Group's products are constantly assessed and mitigated.

COMPLIANCE

Keppel subscribes to best practices and complies with applicable legislations and relevant requirements. In 2013, the Group has not identified any non-compliance with laws, regulations and voluntary codes concerning the provision and use, as well as health and safety of its products and services.

Labour Practices & Human Rights

1

We embrace diversity and inclusiveness, uphold fair employment practices and grow the capabilities of our workforce to create a work culture where all employees take a shared responsibility in achieving our business goals.

FAIR EMPLOYMENT PRACTICES

In Singapore, Keppel subscribes to the principles spelt out by the Tripartite Alliance for Fair Employment Practices (TAFEP) and endorses the Tripartite Alliance's Employers' Pledge of Fair Employment Practices.

HUMAN RIGHTS

Keppel upholds and respects the fundamental principles set out in the United Nations Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Our approach to human rights is informed and guided by general concepts from the United Nations Guiding Principles on Business and Human Rights.

Our commitment to human rights is supported by our Employee Code of Conduct and articulated in our Corporate Statement on Human Rights, published on our website.

We work closely with our unions and subcontractors to maintain healthy and harmonious working relationships with employees. About 45% of our global workforce is covered by Collective Agreements.

LEARNING & DEVELOPMENT

We grow the skills and capabilities of our workforce with a structured learning and development framework. Programmes by qualified training providers and our in-house Keppel College and training centres equip employees with the necessary skills at different career stages.

Keppel College programmes are co-developed with reputable business schools and industry subject matter experts to provide effective and holistic leadership development. The training centres cater to technical and core skills qualification, providing upgrading and certifications. In 2013, Keppel invested $19.2 million in the training and development of our employees globally.

EMPLOYEE ENGAGEMENT

In 2013, Keppel worked with an independent research firm to complete our annual Employee Engagement Survey. The survey involved over 5,700 employees from Singapore, China, Philippines and the Netherlands and achieved a 76% response rate.

The Group continues to engage employees through mentorship schemes, dialogue sessions and town hall meetings. Feedback received through these various channels helps us refine and improve our human resource policies.

TALENT MANAGEMENT & SUCCESSION PLANNING

Keppel's established talent and succession management framework focuses on high-potential and high-performing employees. Employees are given opportunities to fulfil their career aspirations through job rotations, stretch-assignments and overseas postings. Our talent management process works in tandem with succession planning to create a robust leadership pipeline.

EMPOWERING LIVES

Safety & Health

Keppel remains committed to create a safe and healthy work environment for all our stakeholders. We align safety standards across the Group, taking into consideration the industry-specific challenges that each of our businesses face.

To address such challenges, the Keppel Corporation Board Safety Committee, supported by the Inter-Strategic Business Unit Safety Committee, embarked on several initiatives in 2013.

STRONG MANAGEMENT COMMITMENT

Keppel's management establishes a strong safety culture by visibly embracing safety as a core value. This visible safety leadership serves both as a method of demonstrating commitment and a platform for managers to engage employees.

A roundtable was organised to raise top company executives' awareness of behavioural-safety management techniques. In addition, business units held regular meetings, walkabouts and site visits involving board members and senior management.

ROAD MAP IMPLEMENTATION

Our three-year review exercise in collaboration with Du Pont Company (Singapore) was concluded in 2013. The findings affirmed that Keppel's commitment to safety is consistent across the organisation, and identified gaps to be addressed within each business unit's road map. Business units have since received guidance to improve their safety and health practices in line with the four key thrusts of the Keppel Workplace Safety and Health (WSH) 2018 Strategy – establishing an integrated framework, implementing an effective management system, enhancing ownership and strengthening partnerships.

HIGH IMPACT RISK ASSESSMENT ACTIVITIES

Animation videos and pamphlets highlighting safe work practices to address high impact risks will be ready in 2014 to aid supervisors in briefing workers. By introducing process-based methodologies that facilitate engagement with workers, we aim to develop a strong sense of individual and collective ownership of safety among stakeholders at all levels.

INCIDENT REDUCTION

Keppel has consistently achieved an average reduction of 20% in its Accident Frequency Rate (AFR) and Accident Severity Rate (ASR) since 2008.

Whilst we are making headway in reducing our AFR and ASR, we suffered two fall-related fatalities globally. This has strengthened our resolve to strive for a zero-incident workplace.

SAFETY PERFORMANCE

Affirming Keppel's commitment to safety, the WSH Council and Singapore's Ministry of Manpower awarded the Keppel Group with 32 WSH Awards in 2013.

We have further streamlined our global incident reporting system, utilising technology for better trend analysis and data security. In analysing near-miss cases efficiently, we are better equipped to reduce the risk of hazards. We are focused on meeting our safety targets for 2014.

2

1. Over 600 employees and their family members participated in Keppel's annual Walk-N-Fun Day aimed at promoting healthy living and camaraderie.
2. Keppel continues to equip employees and subcontractors with training on workplace safety procedures.

Our Community

Keppel Volunteers collaborated with Yayasan Mendaki to refurbish the Rumah Anak Sholeh Inayah orphanage in Bintan, Indonesia, and equip the children with computer skills.

Keppel believes that our business operations should generate both economic and social capital to nurture the diverse communities in which we operate. We make community investments in education, catalyse community development and support environmental initiatives.

In 2013, our employees committed over 9,000 volunteer hours to community engagement initiatives. In addition, August has been designated as the Keppel Community Month.

KEPPEL CARE FOUNDATION

Keppel Care Foundation, a registered charity under Singapore's Charities Act, sharpens, coordinates and sustains the Group's community contributions. Established in 2012, the Foundation provides assistance to the underprivileged, promotes education and encourages eco-friendly initiatives. The Group has pledged up to 1% of its annual profits to the Foundation.

EMPOWERING THROUGH EDUCATION

Keppel gave $5.38 million to the National University of Singapore, Nanyang Technological University, Singapore Institute of Technology and Singapore University of Technology and Design to enhance academic and learning excellence, provide scholarships and bursaries for students from economically disadvantaged backgrounds and enrich teaching and research.

UPLIFTING COMMUNITIES

ENRICHING LIVES THROUGH THE ARTS

Keppel committed $12 million to the National Art Gallery, Singapore to establish the Keppel Centre for Art Education. Slated to open in 2015, the Centre will provide an immersive and creative learning environment for a projected 250,000 children and youths annually.

To cultivate life-long arts engagement among the young, Keppel re-launched *Keppel Nights* in partnership with Esplanade-Theatres on the Bay to provide students from 30 heartland schools in Singapore with access to shows at the theatre. Keppel committed $360,000 over two years towards the programme.

HELPING THE UNDERPRIVILEGED

Keppel contributed $1.5 million to the President's Challenge, which provides funding to over 50 social service organisations in Singapore. To improve the living and learning conditions for residents of Rumah Anak Sholeh Inayah orphanage in Bintan, Indonesia, Keppel Volunteers collaborated with Yayasan Mendaki to refurbish rooms and conduct IT learning sessions. In Singapore, Keppel also worked with Mendaki to deliver food hampers to low-income households during the month of Ramadan.

CHAMPIONING THOUGHT LEADERSHIP

Keppel Corporation supported the Singapore International Energy Week, World Engineers Summit and Sustainable Ocean Summit events in 2013 to provide valuable platforms to share insights and champion thought leadership on the challenges and opportunities in addressing pressing environmental concerns.

Directors' Report & Financial Statements

Contents

Directors' Report

For the financial year ended 31 December 2013

The Directors present their report together with the audited consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2013.

1. Directors

The Directors of the Company in office at the date of this report are:

Lee Boon Yang (Chairman)
Loh Chin Hua (Chief Executive Officer) (appointed on 1 January 2014)
Tony Chew Leong-Chee
Oon Kum Loon (Mrs)
Tow Heng Tan
Alvin Yeo Khirn Hai
Tan Ek Kia
Danny Teoh
Tan Puay Chiang
Teo Soon Hoe

2. Audit Committee

The Audit Committee of the Board of Directors comprises four independent non-executive Directors. Members of the Committee are:

Danny Teoh (Chairman)
Tony Chew Leong-Chee
Oon Kum Loon (Mrs)
Alvin Yeo Khirn Hai

The Audit Committee carried out its function in accordance with the Singapore Companies Act, including the following:

- Reviewed audit scopes, plans and reports of the Company's external auditors and internal auditors and considered effectiveness of actions/policies taken by management on the recommendations and observations;
- Reviewed the assistance given by the Company's officers to the auditors;
- Carried out independent review of quarterly financial reports and year-end financial statements;
- Examined effectiveness of financial, operational, compliance and information technology controls;
- Reviewed the independence and objectivity of the external auditors annually;
- Reviewed the nature and extent of non-audit services performed by external auditors;
- Met with external auditors and internal auditors, without the presence of management, at least annually;
- Ensured that the internal audit function is adequately resourced and has appropriate standing within the Company, at least annually;
- Reviewed interested person transactions; and
- Investigated any matters within the Audit Committee's term of reference, whenever it deemed necessary.

The Audit Committee has recommended to the Board of Directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors at the forthcoming Annual General Meeting of the Company.

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate other than the KCL Share Option Scheme, KCL Restricted Share Plan, KCL Performance Share Plan and Remuneration Shares to Directors of the Company.

4. Directors' interests in shares and debentures

According to the Register of Directors' shareholdings kept by the Company for the purpose of Section 164 of the Singapore Companies Act, none of the Directors holding office at the end of the financial year had any interest in the shares and debentures of the Company and related corporations, except as follows:

		Holdings At	
	1.1.2013	31.12.2013	21.1.2014
Keppel Corporation Limited			
(Ordinary shares)			
Lee Boon Yang	43,000	53,000	53,000
Choo Chiau Beng	3,810,532	4,627,032	*
Choo Chiau Beng (deemed interest)	220,000	220,000	*
Loh Chin Hua	**	**	25,000
Loh Chin Hua (deemed interest)	**	**	38,500
Tony Chew Leong-Chee	17,000	20,000	20,000
Oon Kum Loon (Mrs)	60,200	63,200	63,200
Oon Kum Loon (Mrs) (deemed interest)	44,000	54,000	54,000
Tow Heng Tan	16,888	19,888	19,888
Tow Heng Tan (deemed interest)	28,789	28,789	28,789
Alvin Yeo Khirn Hai	12,225	15,225	15,225
Alvin Yeo Khirn Hai (deemed interest)	32,000	32,000	32,000
Tan Ek Kia	3,825	6,825	6,825
Danny Teoh	28,825	31,825	31,825
Tan Puay Chiang	22,000	23,600	23,600
Tan Puay Chiang (deemed interest)	7,103	7,103	7,103
Teo Soon Hoe	4,853,480	5,241,365	5,241,365
Tong Chong Heong	1,966,540	2,464,640	2,464,640
(Share options)			
Choo Chiau Beng	847,000	594,000	*
Teo Soon Hoe	2,530,000	2,530,000	2,530,000
Tong Chong Heong	1,528,000	1,332,000	1,332,000
(Unvested restricted shares to be delivered after 2010)			
Choo Chiau Beng	55,000	-	*
Teo Soon Hoe	36,685	-	-
Tong Chong Heong	33,000	-	-
(Unvested restricted shares to be delivered after 2011)			
Choo Chiau Beng	93,300	48,242	*
Teo Soon Hoe	60,000	31,057	31,057
Tong Chong Heong	60,000	31,057	31,057
(Unvested restricted shares to be delivered after 2012)			
Loh Chin Hua	**	**	51,762
(Contingent award of restricted shares to be delivered after 2013)[1]			
Loh Chin Hua	**	**	87,995
(Contingent award of performance shares issued in 2010 to be delivered after 2012)[2]			
Choo Chiau Beng	330,000	-	*
Teo Soon Hoe	220,000	-	-
Tong Chong Heong	198,000	-	-
(Contingent award of performance shares issued in 2011 to be delivered after 2013)[2]			
Choo Chiau Beng	280,000	289,866	*
Teo Soon Hoe	180,000	186,342	186,342
Tong Chong Heong	180,000	186,342	186,342

4. Directors' interests in shares and debentures (continued)

		Holdings At	
	1.1.2013	31.12.2013	21.1.2014
(Contingent award of performance shares issued in 2012 to be delivered after 2014)[2]			
Choo Chiau Beng	220,000	151,903	*
Loh Chin Hua	**	**	77,643
Teo Soon Hoe	90,000	93,171	93,171
Tong Chong Heong	180,000	129,555	129,555
(Contingent award of performance shares issued in 2013 to be delivered after 2015)[2]			
Choo Chiau Beng	-	75,917	*
Loh Chin Hua	**	**	93,171
Teo Soon Hoe	-	93,171	93,171
Tong Chong Heong	-	67,389	67,389
(3.145% Fixed Rate Notes due 2022)			
Tan Puay Chiang	$250,000	$250,000	$250,000
Keppel Land Limited			
(Ordinary shares)			
Choo Chiau Beng	850,315	850,315	*
Loh Chin Hua	**	**	99,600
Oon Kum Loon (Mrs)	-	2,000	2,000
Tow Heng Tan (deemed interest)	95	95	95
Alvin Yeo Khirn Hai (deemed interest)	10,000	10,000	10,000
Tan Ek Kia	11,400	11,400	11,400
Danny Teoh	100,000	100,000	100,000
(Unvested restricted shares to be delivered after 2011)[1]			
Loh Chin Hua	**	**	96,000
(3.51% Fixed Rate Notes due 2015)			
Tan Puay Chiang	$250,000	$250,000	$250,000
(3.90% Fixed Rate Notes due 2024)			
Tan Puay Chiang	$250,000	$250,000	$250,000
Keppel REIT			
(Units)			
Lee Boon Yang	-	14,840	14,840
Choo Chiau Beng	6,260,000	7,508,968	*
Choo Chiau Beng (deemed interest)	-	61,600	*
Loh Chin Hua	**	**	7,000
Loh Chin Hua (deemed interest)	**	**	556,160
Tony Chew Leong-Chee	-	5,600	5,600
Oon Kum Loon (Mrs)	-	17,696	17,696
Oon Kum Loon (Mrs) (deemed interest)	-	12,320	12,320
Tow Heng Tan	-	5,568	5,568
Tow Heng Tan (deemed interest)	10	8,070	8,070
Alvin Yeo Khirn Hai	-	4,263	4,263
Alvin Yeo Khirn Hai (deemed interest)	100,000	108,960	108,960
Tan Ek Kia	-	1,911	1,911
Danny Teoh	-	8,911	8,911
Tan Puay Chiang	-	12,000	12,000
Tan Puay Chiang (deemed interest)	-	6,000	6,000
Teo Soon Hoe	600,000	2,067,582	2,067,582
Tong Chong Heong	-	764,899	764,899

	1.1.2013	Holdings At 31.12.2013	21.1.2014
Keppel Telecommunications & Transportation Ltd			
(Ordinary shares)			
Teo Soon Hoe	28,000	28,000	28,000
Keppel Philippines Holdings, Inc			
("B" shares of one Peso each)			
Choo Chiau Beng	2,000	2,000	*
Teo Soon Hoe	2,000	2,000	2,000

1 Depending on the achievement of pre-determined performance targets, the actual number of shares to be released could range from zero to the number stated.
2 Depending on the achievement of pre-determined performance targets, the actual number of shares to be released could range from zero to 150% of the number stated.
* Mr Choo Chiau Beng and Mr Tong Chong Heong had resigned as Directors of the Company with effect from 1 January 2014 and 1 February 2014 respectively following their retirements.
** Mr Loh Chin Hua was appointed as the Group Chief Executive Officer and a Director of the Company on 1 January 2014.

5. Directors' receipt and entitlement to contractual benefits

Since the beginning of the financial year, no Director of the Company has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the notes to the financial statements and salaries, bonuses and other benefits in their capacity as directors of the Company which are disclosed in the Corporate Governance Report.

6. Share options of the Company

Details of share options granted under the KCL Share Option Scheme ("Scheme") are disclosed in Note 3 to the financial statements.

No options to take up Ordinary Shares ("Shares") were granted during the financial year. There were 5,335,750 Shares issued by virtue of exercise of options and options to take up 146,500 Shares were cancelled during the financial year. At the end of the financial year, there were 24,832,315 Shares under option as follows:

	Number of Share Options					
Date of grant	Balance at 1.1.2013	Exercised	Cancelled	Balance at 31.12.2013	Exercise price	Date of expiry
11.02.05	16,500	(5,500)	-	11,000	$3.42	10.02.15
11.08.05	358,600	(85,800)	-	272,800	$5.07	10.08.15
09.02.06	383,300	(47,800)	-	335,500	$5.21	08.02.16
10.08.06	1,329,900	(368,000)	-	961,900	$6.36	09.08.16
13.02.07	2,491,900	(413,100)	(4,400)	2,074,400	$7.70	12.02.17
10.08.07	6,652,800	(114,700)	(64,900)	6,473,200	$11.17	09.08.17
14.02.08	3,698,000	(557,800)	(20,900)	3,119,300	$8.46	13.02.18
14.08.08	4,896,615	(1,165,615)	(29,900)	3,701,100	$8.73	13.08.18
05.02.09	1,659,800	(533,400)	(8,800)	1,117,600	$3.07	04.02.19
06.08.09	3,763,150	(821,865)	(8,800)	2,932,485	$6.86	05.08.19
09.02.10	5,064,000	(1,222,170)	(8,800)	3,833,030	$6.89	08.02.20
	30,314,565	(5,335,750)	(146,500)	24,832,315		

The information on Directors of the Company participating in the Scheme is as follows:

Name of Director	Options granted during the financial year	Aggregate options granted and adjusted since commencement of the Scheme to the end of financial year	Aggregate options exercised since commencement of the Scheme to the end of financial year	Aggregate options lapsed since commencement of the Scheme to the end of financial year	Aggregate options outstanding as at the end of financial year
Choo Chiau Beng	-	5,584,000	(4,416,250)	(573,750)	594,000
Teo Soon Hoe	-	5,983,000	(2,879,250)	(573,750)	2,530,000
Tong Chong Heong	-	3,922,200	(2,180,200)	(410,000)	1,332,000

There are no options granted to any of the Company's controlling shareholders or their associates under the Scheme.

7. Share plans of the Company

The KCL Performance Share Plan ("KCL PSP") and KCL Restricted Share Plan ("KCL RSP") were approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 23 April 2010.

Details of share plans awarded under the KCL PSP and KCL RSP are disclosed in Note 3 to the financial statements.

The number of contingent Shares granted was 845,000 under KCL PSP and 4,300,500 under KCL RSP during the financial year. The number of Shares released was 1,092,100 under KCL PSP and 4,075,068 under KCL RSP during the financial year. 1,092,100 Shares under the KCL PSP and 3,935,605 Shares under KCL RSP were vested during the financial year. 68,586 Shares under the KCL RSP were cancelled during the financial year. At the end of the financial year, there were 1,901,333 contingent Shares under the KCL PSP and 4,383,491 contingent Shares and 4,040,616 unvested Shares under the KCL RSP as follows:

Contingent awards:

	Number of Shares						
Date of grant	Balance at 1.1.2013	Contingent awards granted	Adjustments upon release	Released	Cancelled	Other adjustments	Balance at 31.12.2013
KCL PSP							
30.6.2010	748,000	-	344,100	(1,092,100)	-	-	-
30.6.2011	640,000	-	-	-	-	22,550	662,550
29.6.2012	741,314	-	-	-	(132,635)	26,119	634,798
28.3.2013	-	845,000	-	-	(270,787)	29,772	603,985
	2,129,314	845,000	344,100	(1,092,100)	(403,422)	78,441	1,901,333
KCL RSP							
29.6.2012	4,103,656	-	-	(4,075,068)	(28,588)	-	-
28.3.2013	-	4,300,500	-	-	(67,906)	150,897	4,383,491
	4,103,656	4,300,500	-	(4,075,068)	(96,494)	150,897	4,383,491

Awards released but not vested:

	Number of Shares					
Date of grant	Balance at 1.1.2013	Released	Vested	Cancelled	Other adjustments	Balance at 31.12.2013
KCL PSP						
30.6.2010	-	1,092,100	(1,092,100)	-	-	-
	-	1,092,100	(1,092,100)	-	-	-
KCL RSP						
30.6.2010	1,278,035	-	(1,248,335)	(715)	(28,985)	-
30.6.2011	2,677,411	-	(1,323,161)	(13,559)	(6,758)	1,333,933
29.6.2012	-	4,075,068	(1,364,109)	(54,312)	50,036	2,706,683
	3,955,446	4,075,068	(3,935,605)	(68,586)	14,293	4,040,616

The information on Directors of the Company participating in the KCL RSP and the KCL PSP is as follows:

Contingent awards:

Name of Director	Contingent awards granted during the financial year	Aggregate awards granted since commencement of plans to the end of financial year	Aggregate awards adjusted upon release since commencement of plans to the end of financial year	Aggregate other adjustments since commencement of plans to the end of financial year	Aggregate awards released since commencement of plans to the end of financial year	Aggregate awards not released as at the end of financial year
KCL RSP						
Choo Chiau Beng	-	290,000	-	-	(290,000)	-
Loh Chin Hua	85,000	160,000	-	2,995	(75,000)	87,995
Teo Soon Hoe	-	190,000	-	-	(190,000)	-
Tong Chong Heong	-	180,000	-	-	(180,000)	-
KCL PSP						
Choo Chiau Beng	220,000	1,020,000	151,800	(172,314)	(481,800)	517,686
Loh Chin Hua	90,000	165,000	-	5,814	-	170,814
Teo Soon Hoe	90,000	560,000	101,200	32,684	(321,200)	372,684
Tong Chong Heong	180,000	720,000	91,100	(138,714)	(289,100)	383,286

Awards released but not vested:

Name of Director	Aggregate awards released since commencement of plans to the end of financial year	Aggregate other adjustments since commencement of plans to the end of financial year	Aggregate awards vested since commencement of plans to the end of financial year	Aggregate awards released but not vested as at the end of financial year
KCL RSP				
Choo Chiau Beng	290,000	11,642	(253,400)	48,242
Loh Chin Hua	75,000	1,762	(25,000)	51,762
Teo Soon Hoe	190,000	7,727	(166,670)	31,057
Tong Chong Heong	180,000	7,057	(156,000)	31,057
KCL PSP				
Choo Chiau Beng	481,800	-	(481,800)	-
Teo Soon Hoe	321,000	-	(321,000)	-
Tong Chong Heong	289,100	-	(289,100)	-

There are no contingent award of Shares granted to any of the Company's controlling shareholders or their associates under the KCL RSP and the KCL PSP.

Other than Choo Chiau Beng who received 1,090,067 or 5.6% of the aggregate of the contingent award of Shares under the KCL RSP and KCL PSP, no other director or employee received more than 5 percent or more of the total number of contingent award of Shares granted to date.

8. Share options and share plans of subsidiaries

The particulars of share options and share plans of subsidiaries of the Company are as follows:

(a) **Keppel Land Limited ("Keppel Land")**

At the end of the financial year, unissued shares of Keppel Land Limited under option comprised $499,800,000 principal amount of 1.875% Convertible Bonds due 2015 at a conversion price of $6.72 per share and 1,977,120 options under the Keppel Land Share Option Scheme. In addition, there were 867,800 unvested shares and 1,927,800 contingent shares granted under Keppel Land Restricted Share Plan, and 1,010,000 contingent shares granted under Keppel Land Performance Share Plan at the end of the financial year. Details and terms of the options and share plans have been disclosed in the Directors' Report and financial statements of Keppel Land Limited.

(b) **Keppel Telecommunications & Transportation Ltd ("Keppel T&T")**

At the end of the financial year, there were 1,275,000 unissued shares of Keppel Telecommunications & Transportation Ltd under option relating to Keppel T&T Share Option Scheme. In addition, there were 546,700 unvested shares and 1,042,000 contingent shares granted under Keppel T&T Restricted Share Plan, and 680,000 contingent shares granted under Keppel T&T Performance Share Plan at the end of the financial year. Details and terms of the options and share plans have been disclosed in the Directors' Report of Keppel Telecommunications & Transportation Ltd.

9. AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board

Loh Chin Hua
Chief Executive Officer

Teo Soon Hoe
Senior Executive Director

Singapore, 25 February 2014

Statement by Directors

For the financial year ended 31 December 2013

We, LOH CHIN HUA and TEO SOON HOE being two Directors of Keppel Corporation Limited, do hereby state that in the opinion of the Directors, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 135 to 200 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

On behalf of the Board

Loh Chin Hua
Chief Executive Officer

Teo Soon Hoe
Senior Executive Director

Singapore, 25 February 2014

Independent Auditors' Report

to the Members of Keppel Corporation Limited

For the financial year ended 31 December 2013

Report on the Financial Statements

We have audited the accompanying financial statements of Keppel Corporation Limited ("Company") and its subsidiaries ("Group") which comprise the balance sheets of the Group and the Company as at 31 December 2013, the profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 135 to 200.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Public Accountants and Chartered Accountants
Singapore

Cheung Pui Yuen
Partner
Appointed on 21 April 2011

25 February 2014

Balance Sheets

As at 31 December 2013

	Note	GROUP 31 December 2013 $'000	GROUP 31 December 2012 $'000	COMPANY 31 December 2013 $'000	COMPANY 31 December 2012 $'000
Share capital	3	**1,205,877**	1,123,590	**1,205,877**	1,123,590
Reserves	4	**8,495,304**	8,122,362	**4,489,022**	4,581,934
Share capital & reserves		**9,701,181**	9,245,952	**5,694,899**	5,705,524
Non-controlling interests		**3,987,682**	4,332,174	**-**	-
Capital employed		**13,688,863**	13,578,126	**5,694,899**	5,705,524
Represented by:					
Fixed assets	5	**3,798,279**	3,337,433	**882**	559
Investment properties	6	**2,187,858**	5,423,060	**-**	-
Subsidiaries	7	**-**	-	**5,094,452**	4,933,380
Associated companies	8	**5,482,173**	5,266,602	**-**	-
Investments	9	**264,745**	225,380	**-**	-
Long term assets	10	**278,917**	175,489	**218**	168
Intangibles	11	**86,240**	109,608	**-**	-
		12,098,212	14,537,572	**5,095,552**	4,934,107
Current assets					
Stocks & work-in-progress in excess of related billings	12	**8,994,726**	7,660,898	**-**	-
Amounts due from:					
- subsidiaries	13	**-**	-	**3,465,513**	2,655,295
- associated companies	13	**1,037,206**	696,737	**9,430**	1,719
Debtors	14	**1,915,747**	1,839,085	**33,804**	157,737
Short term investments	15	**445,073**	417,107	**-**	-
Bank balances, deposits & cash	16	**5,564,656**	4,055,176	**2,466**	3,773
		17,957,408	14,669,003	**3,511,213**	2,818,524
Current liabilities					
Creditors	17	**5,409,197**	5,465,666	**275,189**	191,872
Billings on work-in-progress in excess of related costs	12	**2,714,983**	1,619,475	**-**	-
Provisions	18	**163,603**	145,169	**-**	-
Amounts due to:					
- subsidiaries	13	**-**	-	**951,328**	329,206
- associated companies	13	**71,699**	63,495	**3**	-
Term loans	19	**516,665**	1,005,554	**160,838**	-
Taxation	26	**465,387**	764,862	**19,575**	21,097
Bank overdrafts	20	**473**	-	**-**	-
		9,342,007	9,064,221	**1,406,933**	542,175
Net current assets		**8,615,401**	5,604,782	**2,104,280**	2,276,349
Non-current liabilities					
Term loans	19	**6,582,861**	6,202,345	**1,500,000**	1,500,000
Deferred taxation	21	**441,889**	361,883	**4,933**	4,932
		7,024,750	6,564,228	**1,504,933**	1,504,932
Net assets		**13,688,863**	13,578,126	**5,694,899**	5,705,524

See accompanying notes to the financial statements.

Consolidated Profit and Loss Account

For the financial year ended 31 December 2013

	Note	**2013 $'000**	2012 $'000
Revenue	22	**12,380,419**	13,964,841
Materials and subcontract costs		**(8,603,659)**	(9,506,893)
Staff costs	23	**(1,668,237)**	(1,578,749)
Depreciation and amortisation		**(242,292)**	(210,512)
Other operating income/(expenses)		**268,138**	(47,512)
Operating profit	24	**2,134,369**	2,621,175
Investment income	25	**14,033**	6,701
Interest income	25	**144,189**	160,776
Interest expenses	25	**(124,718)**	(134,933)
Share of results of associated companies	8	**625,867**	602,548
Profit before tax		**2,793,740**	3,256,267
Taxation	26	**(397,366)**	(500,619)
Profit for the year		**2,396,374**	2,755,648
Attributable to:			
Shareholders of the Company		**1,845,792**	2,237,299
Non-controlling interests		**550,582**	518,349
		2,396,374	2,755,648
Earnings per ordinary share	27		
- basic		**102.3 cts**	124.8 cts
- diluted		**101.2 cts**	123.6 cts
Gross dividend per ordinary share	28		
Interim dividend paid		**10.0 cts**	18.0 cts
Final dividend proposed		**30.0 cts**	27.0 cts
Special dividend *in specie* distributed/proposed		**9.5 cts**	28.6 cts
Total distribution		**49.5 cts**	73.6 cts

See accompanying notes to the financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2013

	2013 $'000	2012 $'000
Profit for the year	**2,396,374**	2,755,648
Items that may be reclassified subsequently to profit and loss account:		
Available-for-sale assets		
- Fair value changes arising during the year	**13,552**	30,690
- Realised and transferred to profit and loss account	**28**	(49,948)
Cash flow hedges		
- Fair value changes arising during the year, net of tax	**(204,730)**	217,394
- Realised and transferred to profit and loss account	**7,468**	(2,377)
Foreign exchange translation		
- Exchange difference arising during the year	**73,628**	(312,556)
- Realised and transferred to profit and loss account	**37,876**	(1,378)
Share of other comprehensive income of associated companies		
- Available-for-sale assets	**(5,847)**	1,539
- Cash flow hedges	**(2,152)**	(5,751)
- Foreign exchange translation	**2,881**	(16,755)
Items that will not be reclassified to profit and loss account:		
Share of other comprehensive income of associated companies		
- Revaluation surplus	**-**	14,479
Other comprehensive income for the year, net of tax	**(77,296)**	(124,663)
Total comprehensive income for the year	**2,319,078**	2,630,985
Attributable to:		
Shareholders of the Company	**1,721,456**	2,200,049
Non-controlling interests	**597,622**	430,936
	2,319,078	2,630,985

See accompanying notes to the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2013

	Attributable to owners of the Company						
	Share Capital $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Non-controlling Interests $'000	Capital Employed $'000
Group							
2013							
As at 1 January	**1,123,590**	**682,263**	**7,815,216**	**(375,117)**	**9,245,952**	**4,332,174**	**13,578,126**
Total comprehensive income for the year							
Profit for the year	-	-	1,845,792	-	1,845,792	550,582	2,396,374
Other comprehensive income *	-	(192,887)	-	68,551	(124,336)	47,040	(77,296)
Total comprehensive income for the year	-	(192,887)	1,845,792	68,551	1,721,456	597,622	2,319,078
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividend paid	-	-	(1,356,523)	-	(1,356,523)	-	(1,356,523)
Share-based payment	-	52,813	-	-	52,813	1,610	54,423
Transfer of statutory, capital and other reserves to revenue reserves	-	1,102	(1,102)	-	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	(174,629)	(174,629)
Cash subscribed by non-controlling shareholders	-	-	-	-	-	65,348	65,348
Shares issued	82,287	(42,538)	-	-	39,749	-	39,749
Other adjustments	-	-	-	-	-	(1,069)	(1,069)
Total contributions by and distributions to owners	82,287	11,377	(1,357,625)	-	(1,263,961)	(108,740)	(1,372,701)
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries	-	-	-	-	-	23,535	23,535
Acquisition of additional interest in subsidiaries	-	-	(2,266)	-	(2,266)	(259)	(2,525)
Disposal of interest in subsidiaries	-	-	-	-	-	(859,713)	(859,713)
Disposal of interest in subsidiaries without loss of control	-	-	-	-	-	3,063	3,063
Total changes in ownership interests in subsidiaries	-	-	(2,266)	-	(2,266)	(833,374)	(835,640)
Total transactions with owners	82,287	11,377	(1,359,891)	-	(1,266,227)	(942,114)	(2,208,341)
As at 31 December	1,205,877	500,753	8,301,117	(306,566)	9,701,181	3,987,682	13,688,863

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

See accompanying notes to the financial statements.

	Attributable to owners of the Company						
	Share Capital $'000	Capital Reserves $'000	Revenue Reserves $'000	Foreign Exchange Translation Account $'000	Share Capital & Reserves $'000	Non-controlling Interests $'000	Capital Employed $'000
Group							
2012							
As at 1 January	1,016,112	460,357	6,358,404	(135,498)	7,699,375	4,061,920	11,761,295
Total comprehensive income for the year							
Profit for the year	-	-	2,237,299	-	2,237,299	518,349	2,755,648
Other comprehensive income *	-	202,369	-	(239,619)	(37,250)	(87,413)	(124,663)
Total comprehensive income for the year	-	202,369	2,237,299	(239,619)	2,200,049	430,936	2,630,985
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividend paid	-	-	(789,456)	-	(789,456)	-	(789,456)
Share-based payment	-	47,237	-	-	47,237	2,221	49,458
Transfer of statutory, capital and other reserves to revenue reserves	-	122	(122)	-	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	(211,912)	(211,912)
Cash subscribed by non-controlling shareholders	-	-	-	-	-	85,325	85,325
Shares issued	107,478	(25,050)	-	-	82,428	-	82,428
Other adjustments	-	-	142	-	142	373	515
Total contributions by and distributions to owners	107,478	22,309	(789,436)	-	(659,649)	(123,993)	(783,642)
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries	-	-	-	-	-	225,401	225,401
Acquisition of additional interest in subsidiaries	-	(2,772)	8,949	-	6,177	(230,572)	(224,395)
Disposal of interest in subsidiaries with loss of control	-	-	-	-	-	(31,518)	(31,518)
Total changes in ownership interests in subsidiaries	-	(2,772)	8,949	-	6,177	(36,689)	(30,512)
Total transactions with owners	107,478	19,537	(780,487)	-	(653,472)	(160,682)	(814,154)
As at 31 December	1,123,590	682,263	7,815,216	(375,117)	9,245,952	4,332,174	13,578,126

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

See accompanying notes to the financial statements.

Statements of Changes in Equity

	Share Capital $'000	Capital Reserves $'000	Revenue Reserves $'000	Capital Employed $'000
Company				
2013				
As at 1 January	**1,123,590**	**180,396**	**4,401,538**	**5,705,524**
Profit/total comprehensive income for the year	**-**	**-**	**1,255,575**	**1,255,575**
Transactions with owners, recognised directly in equity				
Dividend paid	**-**	**-**	**(1,356,523)**	**(1,356,523)**
Share-based payment	**-**	**50,574**	**-**	**50,574**
Shares issued	**82,287**	**(42,538)**	**-**	**39,749**
Total transactions with owners	**82,287**	**8,036**	**(1,356,523)**	**(1,266,200)**
As at 31 December	**1,205,877**	**188,432**	**4,300,590**	**5,694,899**
Company				
2012				
As at 1 January	1,016,112	161,496	4,031,956	5,209,564
Profit/total comprehensive income for the year	-	-	1,158,896	1,158,896
Transactions with owners, recognised directly in equity				
Dividend paid	-	-	(789,456)	(789,456)
Share-based payment	-	43,950	-	43,950
Shares issued	107,478	(25,050)	-	82,428
Other adjustments	-	-	142	142
Total transactions with owners	107,478	18,900	(789,314)	(662,936)
As at 31 December	1,123,590	180,396	4,401,538	5,705,524

See accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2013

	Note	2013 $'000	2012 $'000
Operating activities			
Operating profit		**2,134,369**	2,621,175
Adjustments:			
Depreciation and amortisation		**242,292**	210,512
Share-based payment expenses		**55,362**	49,882
Profit on sale of fixed assets		**(3,865)**	(16,689)
Gain on disposal of subsidiaries		**(307,726)**	(30,004)
Gain on disposal of associated companies		**-**	(3,120)
Write-back of impairment of associated companies		**(2,818)**	(7,673)
Write-back of provision for restructuring of operations and others		**(43,088)**	(12,000)
Fair value gain on investment properties		**(156,284)**	(172,101)
Operational cash flow before changes in working capital		**1,918,242**	2,639,982
Working capital changes:			
Stocks & work-in-progress		**(2,046)**	(855,588)
Debtors		**(442,710)**	(80,579)
Creditors		**(147,562)**	(398,236)
Investments		**(60,219)**	226,530
Intangibles		**(769)**	(1,369)
Advances to associated companies		**(107,618)**	(298,399)
Translation of foreign subsidiaries		**27,298**	(40,209)
		1,184,616	1,192,132
Interest received		**145,058**	160,189
Interest paid		**(120,080)**	(120,847)
Income taxes paid, net of refunds received		**(584,931)**	(224,907)
Net cash from operating activities		**624,663**	1,006,567
Investing activities			
Acquisition of subsidiaries	A	**(103,555)**	(116,265)
Acquisition and further investment in associated companies		**(472,791)**	(371,002)
Acquisition of fixed assets and investment properties		**(936,060)**	(835,974)
Disposal of subsidiaries	B	**534,062**	56,621
Return of capital and disposal of associated companies		**-**	4,645
Proceeds from disposal of fixed assets		**33,088**	35,248
Dividend received from investments and associated companies		**267,391**	157,344
Net cash used in investing activities		**(677,865)**	(1,069,383)
Financing activities			
Proceeds from share issues		**39,749**	82,428
Proceeds from non-controlling shareholders of subsidiaries		**65,348**	15,125
Proceeds from disposal of interest in a subsidiary without loss of control	C	**135,513**	-
Proceeds from term loans		**5,154,702**	2,859,518
Repayment of term loans		**(3,024,586)**	(528,790)
Acquisition of additional shares in subsidiaries		**-**	(149,427)
Dividend paid to shareholders of the Company		**(668,506)**	(789,456)
Dividend paid to non-controlling shareholders of subsidiaries		**(174,629)**	(211,912)
Net cash from financing activities		**1,527,591**	1,277,486
Net increase in cash and cash equivalents		**1,474,389**	1,214,670
Cash and cash equivalents as at 1 January		**4,055,176**	3,020,454
Effects of foreign exchange translation on cash and cash equivalents		**34,618**	(179,948)
Cash and cash equivalents as at 31 December	D	**5,564,183**	4,055,176

See accompanying notes to the financial statements.

Notes to Consolidated Statement of Cash Flows

A. Acquisition of Subsidiaries

During the financial year, the fair values of net assets of subsidiaries acquired were as follows:

	2013 $'000	2012 $'000
Fixed assets	**67,643**	109,998
Investment properties	**133,420**	732,409
Stocks & work-in-progress	**325,264**	235,551
Debtors	**1,681**	2,017
Bank balances and cash	**6,775**	33,059
Shareholders' loans	**(122,911)**	(142,489)
Creditors	**(5,562)**	(314,268)
Bank borrowings	**(50,607)**	-
Current and deferred taxation	**(51,472)**	(141,198)
Total identifiable net assets at fair value	**304,231**	515,079
Non-controlling interest measured at non-controlling interests' proportionate share of the net assets	**(23,535)**	(225,401)
Amount previously accounted for as associated companies	**(45,498)**	(10,546)
Net assets acquired	**235,198**	279,132
Assumption of shareholders' loans	**122,911**	142,489
Total purchase consideration	**358,109**	421,621
Less: Advance payment made in prior year	**-**	(207,930)
Less: Deferred payments	**(247,779)**	(64,367)
Less: Bank balances and cash acquired	**(6,775)**	(33,059)
Cash flow on acquisition	**103,555**	116,265

Significant acquisitions during the year include the acquisition of remaining 50% interest in Parksville, 100% interest in Shanghai Jinju Real Estate Development Co. Ltd, which owns a residential site in Sheshan, Songjiang District in Shanghai for development of landed homes and 60% interest in a river port in Sanshui, Guangdong Province.

In the prior year, the Group acquired an interest in Aether Pte Ltd, which indirectly owns 51% interest in Beijing Aether Property Development Ltd. The Group also acquired additional 36% interest in Kingsdale Group and 100% interest in Chengdu Shengshi Jingwei Real Estate Investment Co. Ltd.

See accompanying notes to the financial statements.

B. Disposal of Subsidiaries

During the financial year, the book values of net assets of subsidiaries disposed were as follows:

	2013 $'000	2012 $'000
Fixed assets	**(9,371)**	(21,646)
Investment properties	**(3,757,083)**	(81,710)
Investment in associated company	**(1,941,645)**	-
Intangible assets	**(15,549)**	-
Stocks & work-in-progress	**(123,156)**	(24,121)
Debtors and other assets	**(122,852)**	(25,386)
Bank balances and cash	**(91,200)**	(5,838)
Creditors and other liabilities	**171,058**	40,404
Borrowings	**2,424,159**	-
Current and deferred taxation	**13,827**	14,176
Non-controlling interests deconsolidated	**859,713**	31,518
	(2,592,099)	(72,603)
Amount accounted for as associated company	**1,407,821**	44,606
Amount accounted for as amount owing from associated company	**222,651**	-
Distribution of dividend *in specie*	**688,017**	-
Net assets disposed of	**(273,610)**	(27,997)
Net profit on disposal	**(307,726)**	(30,004)
Realisation of foreign currency translation reserve and capital reserve	**(43,926)**	(4,458)
Sale proceeds	**(625,262)**	(62,459)
Less: Bank balances and cash disposed	**91,200**	5,838
Cash flow on disposal	**(534,062)**	(56,621)

Significant disposals in the year include the divestment of a subsidiary, Montfort Development Pte Ltd, which has a 50% interest in Hotel Sedona Manado in Indonesia, the deconsolidation of Keppel REIT due to loss of control and the disposal of 51% interest in PT Mitra Sindo Makmur and PT Mitra Sindo Sukses, which jointly developed a township development Jakarta Garden City in Jakarta, Indonesia. In the prior year, the Group completed the divestment of its partial interest in Saigon Centre Phase 1 and 2.

C. Disposal of interest in a subsidiary without loss of control

During the financial year, the Group disposed of a 30% interest in its subsidiary, Sherwood Development Pte Ltd to Wkdeveloper Sig I Private Limited, a wholly-owned subsidiary company of Vanke Property (Hong Kong) Company Limited. There was no gain or loss arising from this disposal as the 30% interest was sold at its net carrying value.

D. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

	2013 $'000	2012 $'000
Bank balances, deposits and cash	**5,564,656**	4,055,176
Bank overdrafts	**(473)**	-
	5,564,183	4,055,176

See accompanying notes to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

The Company is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its principal place of business and registered office is 1 HarbourFront Avenue #18-01, Keppel Bay Tower, Singapore 098632.

The Company's principal activity is that of an investment holding and management company.

The principal activities of the companies in the Group consist of:

- offshore oil-rig construction, shipbuilding & shiprepair and conversion;
- environmental engineering, power generation, logistics and data centres;
- property development & investment and property fund management; and
- investments.

There has been no significant change in the nature of these principal activities during the financial year.

The financial statements of the Group for the financial year ended 31 December 2013 and the balance sheet and statement of changes in equity of the Company at 31 December 2013 were authorised for issue in accordance with a resolution of the Board of Directors on 25 February 2014.

2. Significant accounting policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Adoption of New and Revised Standards

In the current year, the Group adopted the new/revised or amended FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2013. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

Amendments to FRS 1	Presentation of Items of Other Comprehensive Income
Revised FRS 19	Employee Benefits
FRS 113	Fair Value Measurement
Amendments to FRS 107	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 16	Property, Plant and Equipment
Amendments to FRS 32	Financial Instruments: Presentation

The adoption of the above FRS and INT FRS did not have any significant impact on the financial statements of the Group, except as disclosed below:

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Amendments to FRS 1 change the grouping of items presented in other comprehensive income. Items that can be reclassified to the profit and loss account at a future point in time will be presented separately from items which will never be reclassified. As the amendments only affect the presentation of items that are already recognised in other comprehensive income, there is no impact on the Group's financial position and financial performance upon adoption of these amendments.

FRS 113 Fair Value Measurement
FRS 113 provides a single source of guidance for all fair value measurements and disclosures about fair value measurements. FRS 113 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted by FRS. The Group's policy is to revalue its investment properties on an annual basis. The adoption of FRS 113 does not have any material impact on the accounting policies of the Group. The Group has incorporated the additional disclosures required by FRS 113 in the financial statements.

(b) Basis of Consolidation
The consolidated financial statements include the financial statements of the Company and its subsidiaries as at the balance sheet date.

The results of subsidiaries acquired or disposed of during the financial year are included or excluded from the consolidated financial statements from their respective dates of acquisition or disposal. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued, liabilities incurred or assumed at the date of exchange and the fair values of any contingent consideration arrangement and any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised in the profit and loss account as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests, except for deferred tax assets/liabilities, share-based related accounts and assets held for sale.

Any excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the profit and loss account on the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted and the difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group derecognises all assets (including any goodwill), liabilities and non-controlling interests at their carrying amounts. Amounts previously recognised in other comprehensive income in respect of that former subsidiary are reclassified to the profit and loss account or transferred directly to revenue reserves if required by a specific Standard. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in the profit and loss account.

On a transaction-by-transaction basis, the measurement of non-controlling interests is either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree.

Contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognised in the profit and loss account.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the owners of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests in a subsidiary on their respective interests in a subsidiary, even if this result in the non-controlling interests having a deficit balance.

2. Significant accounting policies (continued)

(c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and any impairment in value. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. Profits or losses on disposal of fixed assets are included in the profit and loss account.

Depreciation of fixed assets is calculated on a straight-line basis to write off the cost of the fixed assets over their estimated useful lives. No depreciation is provided on freehold land and capital work-in-progress. The estimated useful lives of other fixed assets are as follows:

Buildings on freehold land	20 to 50 years
Leasehold land & buildings	Over period of lease (ranging from 5 to 80 years)
Vessels & floating docks	10 to 20 years
Plant, machinery & equipment	1 to 30 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

(d) Investment Properties

Investment properties comprise completed properties and properties under construction or re-development held to earn rental and/or for capital appreciation. Investment properties are initially recognised at cost and subsequently measured at fair value, determined annually based on valuations by independent professional valuers. Changes in fair value are recognised in the profit and loss account.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit and loss account.

Where there is a change in use, transfers to or from investment properties to another asset category are at the carrying values of the properties at the date of transfer.

(e) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Investments in subsidiaries are stated in the Company's financial statements at cost less any impairment losses. On disposal of a subsidiary, the difference between net disposal proceeds and the carrying amount of the investment is taken to the profit and loss account.

(f) Associated Companies

An associated company is an entity, not being a subsidiary, over which the Group has significant influence, but not control, in the operating and financial policy decisions.

Investments in associated companies are stated in the Company's financial statements at cost less any impairment losses. On disposal of an associated company, the difference between net disposal proceeds and the carrying amount of the investment is taken to the profit and loss account.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting whereby the Group's share of profit or loss of the associated company is included in the profit and loss account and the Group's share of net assets of the associated company is included in the balance sheet.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the profit and loss account.

(g) Intangibles

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any impairment losses. If the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the profit and loss account as a bargain purchase gain.

Other Intangible Assets

Intangible assets include development expenditure and customer contracts. Costs incurred which are expected to generate future economic benefits are recognised as intangibles and amortised on a straight line basis over their useful lives, ranging from 3 to 17 years.

(h) Investments

Investments are classified as held for trading or available-for-sale. Investments acquired for the purpose of selling in the short term are classified as held for trading. Other investments held by the Group are classified as available-for-sale.

Investments are recognised and derecognised on the trade date where the purchase or sale of an investment is under a contract whose terms required delivery of investment within the timeframe established by the market concerned.

Investments are initially measured at fair value plus transaction costs except for investments held for trading, which are recognised at fair value. For unquoted equity investments whose fair value cannot be reliably measured using alternative valuation methods, they are carried at cost less any impairment loss.

For investments held for trading, gains and losses arising from changes in fair value are included in the profit and loss account.

For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in other comprehensive income, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the profit and loss account.

The fair value of investments that are traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price is the current bid prices. The fair value of investments that are not traded in an active market is determined using valuation techniques. Such techniques include using recent arm's length transactions, reference to the underlying net asset value of the investee companies and discounted cash flow analysis.

(i) Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Gains or losses arising from changes in fair value of derivative financial instruments that do not qualify for hedge accounting are taken to the profit and loss account.

For cash flow hedges, the effective portion of the gains or losses on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in the profit and loss account. Amounts taken to other comprehensive income are reclassified to the profit and loss account when the hedged transaction affects the profit and loss account.

The fair value of forward foreign currency contracts is determined using forward exchange market rates at the balance sheet date. The fair value of High Sulphur Fuel Oil ("HSFO") and Dated Brent forward contracts is determined using forward HSFO and Dated Brent prices provided by the Group's key counterparty. The fair value of interest rate caps and interest rate swaps are based on valuations provided by the Group's bankers.

2. Significant accounting policies (continued)

(j) Financial Assets

Financial assets include cash and bank balances, trade, intercompany and other receivables and investments. Trade, intercompany and other receivables are stated initially at fair value and subsequently at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and bank deposits and are subject to an insignificant risk of changes in value.

(k) Stocks & Work-in-Progress

Stocks, consumable materials and supplies are stated at the lower of cost and net realisable value, cost being principally determined on the weighted average method.

Work-in-progress is stated at the lower of cost (comprising direct labour, material costs, direct expenses and an appropriate allocation of production overheads) and net realisable value, which is arrived at after providing for anticipated losses, if any, when the possibility of loss is ascertained.

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related overhead expenditure, financing charges and other net costs incurred during the period of construction.

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related overheads expenditure, and financing charges incurred during the period of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. Upon completion of construction, they are transferred to completed properties held for sale.

Each property under development is accounted for as a separate project. Where a project comprises more than one component or phase with a separate temporary occupation permit, each component or phase is treated as a separate project, and interest and other net costs are apportioned accordingly.

Progress claims made against work-in-progress are offset against the cost of work-in-progress and the profits recognised on partly completed long-term contracts less any provision required to reduce cost to estimated realisable value.

(l) Impairment of Assets

Financial Assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor and default or significant delay in payments are objective evidence that the financial assets are impaired. The carrying amount of these assets is reduced through the use of an allowance account and the loss is recognised in the profit and loss account. When the asset becomes uncollectible, the carrying amount is written off against the allowance account. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively measured, the previously recognised impairment loss is reversed to the extent that the carrying amount does not exceed the amortised cost had no impairment been recognised in the prior periods. The amount of reversal is recognised in the profit and loss account.

Investments

Significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investment is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss account - is removed from equity and recognised in the profit and loss account. For available-for-sale investments, impairment losses previously recognised in the profit and loss account are not reversed through the profit and loss account until the investment is disposed of.

Goodwill
Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill included in the carrying amount of an associated company is tested for impairment as part of the investment.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination.

An impairment loss is recognised in the profit and loss account when the carrying amount of the cash-generating unit, including goodwill, exceeds the recoverable amount of the cash-generating unit. The impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then, to reduce the carrying amount of the other assets in the unit on a pro-rata basis. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Other Non-Financial Assets
Tangible and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for cash-generating unit to which the asset belongs.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of an asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as impairment loss in the profit and loss account. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the profit and loss account.

(m) Financial Liabilities and Equity Instruments

Financial liabilities include trade, intercompany and other payables, bank loans and overdrafts. Trade, intercompany and other payables are stated initially at fair value and subsequently at amortised cost. Interest-bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit and loss account over the period of the borrowings using the effective interest method.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provision for warranties is set up upon completion of a contract to cover the estimated liability which may arise during the warranty period. This provision is based on service history. Any surplus of provision will be written back at the end of the warranty period while additional provisions where necessary are made when known. These liabilities are expected to be incurred over the applicable warranty periods.

Provision for claims is made for the estimated cost of all claims notified but not settled at the balance sheet date, less recoveries, using the information available at the time. Provision is also made for claims incurred but not reported at the balance sheet date based on historical claims experience, modified for variations in expected future settlement. The utilisation of provisions is dependent on the timing of claims.

2. Significant accounting policies (continued)

(o) Leases

When a group company is the lessee

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are recognised as assets of the Group at their fair values at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss account. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentive received from lessor) are taken to the profit and loss account on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

When a group company is the lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Operating leases

Assets leased out under operating leases are included in investment properties and are stated at fair values. Rental income (net of any incentive given to lessee) is recognised on a straight-line basis over the lease term.

(p) Revenue

Revenue consists of:

- Revenue recognised on contracts, under the completion of construction method;
- Revenue recognised on contracts, under the percentage of completion method when the outcome of the contract can be estimated reliably;
- Invoiced value of goods and services;
- Rental income from investment properties; and
- Investment income, interest and fee income.

(q) Revenue Recognition

Revenue from rigbuildings, shipbuildings and repairs, and long term engineering contracts is recognised based on the percentage of completion method in proportion to the stage of completion and provided the outcome of such work can be reliably estimated. The percentage of completion is measured by reference to the percentage of the physical proportion of the contract work completed as determined by engineers' estimates. Provision is made where applicable for anticipated losses on contracts in progress.

Revenue recognition on partly completed properties, which are held for sale is based on the following methods:

- For Singapore trading properties under progressive payment scheme, revenue and profit are recognised on the percentage-of-completion method to reflect the continuous transfer of significant risks and rewards of the ownership of the properties to the purchasers as construction progresses. The percentage of work completion is measured based on the construction and related costs incurred to date as a proportion of the estimated total construction and related costs;

- For Singapore trading projects under deferred payment scheme and overseas trading properties, profit recognition is recognised upon the transfer of significant risks and rewards of ownership to the purchasers under the completion of construction method; and

- Where a project comprises more than one component or phase with a separate temporary occupation permit, each component or phase is treated as a separate project.

When losses are expected, full provision is made in the accounts after adequate allowance has been made for estimated costs to completion. Any expenditure incurred on abortive projects is written off in the profit and loss account.

Revenue from the sale of products is recognised upon shipment to customers and collectibility of the related receivables is reasonably assured. Sales are stated net of goods and services tax and sales returns.

Revenue from the rendering of services including electricity supply and logistic services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual services provided as a proportion of the total services to be performed.

Rental income from operating leases on investment properties are recognised on a straight-line basis over the lease term.

Dividend income from investments is recognised when the right to receive payment is established, and in the case of fixed interest bearing investments, on a time proportion basis using the effective interest method.

Interest income is recognised on a time proportion basis using the effective interest method.

(r) Borrowing Costs

Borrowing costs incurred to finance the development of properties and acquisition of fixed assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are taken to the profit and loss account over the period of borrowing using the effective interest rate method.

(s) Employee Benefits

Defined Contribution Plan

The Group makes contributions to pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies make contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contributions to pension schemes are recognised as an expense in the period in which the related service is performed.

Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

Share Option Scheme and Share Plans

The Group operates share-based compensation plans. The fair value of the employee services received in exchange for the grant of options, restricted shares and performance shares is recognised as an expense in the profit and loss account with a corresponding increase in the share option and share plan reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair values of the options, restricted shares and performance shares granted on the respective dates of grant.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable and share plan awards that are expected to vest on the vesting dates, and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share option and share plan reserve over the remaining vesting period.

No expense is recognised for options or share plan awards that do not ultimately vest, except for options or share plan awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The proceeds received from the exercise of options are credited to share capital when the options are exercised. When share plan awards are released, the share plan reserve is transferred to share capital if new shares are issued.

2. Significant accounting policies (continued)

(t) Income Taxes

Current income tax is recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation, valuation of investment properties, unremitted offshore income and future tax benefits from certain provisions not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit and loss account, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

(u) Foreign Currencies

Functional Currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("functional currency").

The financial statements of the Group and the balance sheet and statement of changes in equity of the Company are presented in Singapore Dollars, which is the functional currency of the Company.

Foreign Currency Transactions

Transactions in foreign currencies are translated at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at exchange rates approximating those ruling at that date. Exchange differences arising from translation of monetary assets and liabilities are taken to the profit and loss account. Exchange differences on non-monetary items such as investments held for trading are reported as part of the fair value gain or loss. Exchange differences on non-monetary items are also recognised in other comprehensive income.

Foreign Currency Translation

For inclusion in the Group's financial statements, the assets and liabilities of foreign subsidiaries and associated companies that are in functional currencies other than Singapore Dollars are translated into Singapore Dollars at the exchange rates ruling at the balance sheet date. The trading results of foreign subsidiaries and associated companies are translated into Singapore Dollars using the average exchange rates for the financial year. Exchange differences due to such currency translation are recognised in other comprehensive income and accumulated in a separate component of equity. Goodwill and fair value adjustments arising on acquisition of a foreign entity are treated as non-monetary foreign currency assets and liabilities of the acquiree and recorded at the closing exchange rate.

(v) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(w) Segment Reporting

The Group has four reportable segments, namely Offshore & Marine, Infrastructure, Property and Investments. Management monitors the results of each of these operating segments for the purpose of making decisions on resource allocation and performance assessment.

(x) **Critical Accounting Estimates and Judgements**

(i) **Critical judgements in applying the Group's accounting policies**
In the process of applying the Group's accounting policies, the management is of the opinion that there is no instance of application of judgements which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations described below.

(ii) **Key sources of estimation uncertainty**
The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Impairment of loans and receivables
The Group assesses at each balance sheet date whether there is any objective evidence that a loan and receivable is impaired. The Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. When there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of trade, intercompany and other receivables are disclosed in the balance sheet.

Impairment of available-for-sale investments
The Group follows the guidance of FRS 39 in determining whether available-for-sale investments are considered impaired. The Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, the financial health of and the near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. The fair values of available-for-sale investments are disclosed in the balance sheet.

Impairment of non-financial assets
Determining whether the carrying value of a non-financial asset is impaired requires an estimation of the value in use of the cash-generating units. This requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amounts of fixed assets, investment properties and intangibles are disclosed in the balance sheet.

Revenue recognition
The Group recognises contract revenue based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2(q). Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. In making the assumption, the Group evaluates by relying on past experience and the work of engineers. Revenue from construction contracts is disclosed in Note 22.

Revenue arising from additional claims and variation orders, whether billed or unbilled, is recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claims or approve the variation orders, and the amount that it is probable will be accepted by the customer can be measured reliably.

Income taxes
The Group has exposure to income taxes in numerous jurisdictions. Significant assumptions are required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation are disclosed in the balance sheet.

Claims, litigations and reviews
The Group entered into various contracts with third parties in its ordinary course of business and is exposed to the risk of claims, litigations, latent defects or review from the contractual parties and/or government agencies. These can arise for various reasons, including change in scope of work, delay and disputes, defective specifications or routine checks etc. The scope, enforceability and validity of any claim, litigation or review may be highly uncertain. In making its judgement as to whether it is probable that any such claim, litigation or review will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal and technical expertise.

3. Share capital

	GROUP AND COMPANY			
	Number of Shares		Amount	
	2013	2012	**2013 $'000**	2012 $'000
Ordinary Shares ("Shares")				
Issued and paid up:				
Balance at 1 January	**1,797,607,004**	1,783,716,751	**1,123,590**	1,016,112
Issue of shares under the share option scheme	**5,335,750**	11,156,255	**39,729**	82,425
Issue of shares under KCL PSP	**1,092,100**	-	**6,128**	-
Issue of shares under KCL RSP	**3,935,605**	2,733,998	**36,430**	25,053
Balance at 31 December	**1,807,970,459**	1,797,607,004	**1,205,877**	1,123,590

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends declared by the Company.

During the financial year, the Company issued 5,335,750 (2012: 11,156,255) Shares at an average weighted price of $7.45 (2012: $7.39) per Share for cash upon exercise of options under the KCL Share Option Scheme.

During the financial year, 1,092,100 (2012: Nil) Shares under the KCL Performance Share Plan ("KCL PSP") and 3,935,605 (2012: 2,733,998) Shares under the KCL Restricted Share Plan ("KCL RSP") were vested.

KCL Share Option Scheme
The KCL Share Option Scheme ("Scheme"), which has been approved by the shareholders of the Company, is administered by the Remuneration Committee whose members are:

Danny Teoh
Lee Boon Yang
Oon Kum Loon (Mrs)
Tow Heng Tan

At the Extraordinary General Meeting of the Company held on 23 April 2010, the Company's shareholders approved the adoption of two new share plans, with effect from the date of termination of the Scheme. The Scheme was terminated on 30 June 2010. Options granted and outstanding prior to the termination will continue to be valid and subject to the terms and conditions of the Scheme.

Under the Scheme, an option may, except in certain special circumstances, be exercised at any time after two years but no later than the expiry date. The two-year vesting period is intended to encourage employees to take a longer-term view of the Company.

The Shares under option may be exercised in full or in respect of 100 Shares or a multiple thereof, on the payment of the subscription price. The subscription price is based on the average last done prices for the Shares of the Company on the Singapore Exchange Securities Trading Limited for the three market days preceding the date of offer. The Remuneration Committee may at its discretion fix the subscription price at a discount not exceeding 20 percent to the above price. None of the options offered in 2010 was granted at a discount.

To promote transparency, the Board of Directors had in 2002 resolved that the date of offer of share options under the Scheme shall be a pre-determined date; that is, the date falling 14 days immediately after the date of announcement of the Company's half-year or full-year results, as the case may be. The number of Shares available under the Scheme shall not exceed 15% of the issued share capital of the Company.

The employees to whom the options have been granted do not have the right to participate by virtue of the options in a share issue of any other company.

Movements in the number of share options and their weighted average exercise prices are as follows:

	2013		2012	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance at 1 January	**30,314,565**	**$8.49**	41,616,020	$8.21
Exercised	**(5,335,750)**	**$7.45**	(11,156,255)	$7.39
Cancelled	**(146,500)**	**$9.32**	(145,200)	$11.49
Balance at 31 December	**24,832,315**	**$8.30**	30,314,565	$8.49
Exercisable at 31 December	**24,832,315**	**$8.30**	30,314,565	$8.49

The weighted average share price at the date of exercise for options exercised during the financial year was $11.12 (2012: $10.98). The options outstanding at the end of the financial year had a weighted average exercise price of $8.30 (2012: $8.49) and a weighted average remaining contractual life of 4.4 years (2012: 5.5 years).

Details of share options granted by Keppel Land Limited and Keppel Telecommunications & Transportation Ltd, subsidiaries of the Company are disclosed in the annual reports of the respective publicly-listed subsidiaries.

KCL Share Plans

The KCL Restricted Share Plan ("KCL RSP") and KCL Performance Share Plan ("KCL PSP") were approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 23 April 2010. The two share plans are administered by the Remuneration Committee.

Details of the KCL RSP and the KCL PSP are as follows:

	KCL RSP	KCL PSP
Plan Description	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets at the end of a one-year performance period	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a three-year performance period
Performance Conditions	Return on Equity	a) Economic Value Added b) Absolute Total Shareholder's Return c) Relative Total Shareholder's Return to MSCI Asia Pacific Ex-Japan Industrials Index (MXAPJIN)
Final Award	0% or 100% of the contingent award granted, depending on achievement of pre-determined targets	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets
Vesting Condition and Schedule	If pre-determined targets are achieved, awards will vest equally over three years subject to fulfillment of service requirements	If pre-determined targets are achieved, awards will vest at the end of the three-year performance period subject to fulfillment of service requirements

3. Share capital (continued)

Movements in the number of shares under the KCL RSP and the KCL PSP are as follows:

	2013		2012	
	KCL RSP	**KCL PSP**	KCL RSP	KCL PSP
Contingent awards:				
Balance at 1 January	**4,103,656**	**2,129,314**	4,158,177	1,388,000
Granted	**4,300,500**	**845,000**	4,159,000	780,000
Adjustments upon released	**-**	**344,100**	-	-
Released	**(4,075,068)**	**(1,092,100)**	(4,158,177)	-
Cancelled	**(96,494)**	**(403,422)**	(55,344)	(38,686)
Other adjustments	**150,897**	**78,441**	-	-
Balance at 31 December	**4,383,491**	**1,901,333**	4,103,656	2,129,314
Awards released but not vested:				
Balance at 1 January	**3,955,446**	**-**	2,652,870	-
Released	**4,075,068**	**1,092,100**	4,158,177	-
Vested	**(3,935,605)**	**(1,092,100)**	(2,733,998)	-
Cancelled	**(68,586)**	**-**	(121,603)	-
Other adjustments	**14,293**	**-**	-	-
Balance at 31 December	**4,040,616**	**-**	3,955,446	-

Executive Directors who are eligible for the KCL Share Plans are required to hold a minimum number of shares under the share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

As at 31 December 2013, there were 4,040,616 (2012: 3,955,446) restricted shares that were released but not vested. At the end of the financial year, the number of contingent Shares granted but not released was 4,383,491 (2012: 4,103,656) under the KCL RSP and 1,901,333 (2012: 2,129,314) under the KCL PSP. Depending on the achievement of pre-determined performance targets, the actual number of Shares to be released could be zero or a maximum of 4,383,491 under the KCL RSP and range from zero to a maximum of 2,852,000 under the KCL PSP.

The fair values of the contingent award of shares under the KCL RSP and the KCL PSP are determined at the grant date using Monte Carlo simulation method which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility.

On 28 March 2013 (2012: 29 June 2012), the Company granted contingent awards of 4,300,500 (2012: 4,159,000) shares under the KCL RSP and 845,000 (2012: 780,000) shares under the KCL PSP. The estimated fair value of the shares granted ranges from $10.14 to $10.95 (2012: $9.33 to $10.08) under the KCL RSP and amounts to $8.82 (2012: $8.28) under the KCL PSP. The significant inputs into the model are as follows:

	2013		2012	
	KCL RSP	**KCL PSP**	KCL RSP	KCL PSP
Date of grant	**28.03.2013**	**28.03.2013**	29.06.2012	29.06.2012
Prevailing share price at date of grant	**$11.20**	**$11.20**	$10.28	$10.28
Expected volatility:				
Company	**27.48%**	**27.48%**	28.06%	28.06%
MXAPJIN	**#**	**25.34%**	#	25.76%
Correlation with MXAPJIN	**#**	**83.50%**	#	84.90%
Expected term	**0.75 to 2.75 years**	**2.75 years**	0.5 to 2.5 years	2.5 years
Risk free rate	**0.15% to 0.36%**	**0.36%**	0.18% - 0.25%	0.25%
Expected dividend yield	*****	*****	*	*

This input is not required for the valuation of shares granted under the KCL RSP.
* Expected dividend yield is based on management's forecast.

The expected volatilities are based on the historical volatilities of the Company's share price and the MXAPJIN price over the previous 36 months immediately preceding the grant date. The expected term used in the model is based on the grant date and the end of the performance period.

Details of share plans granted by Keppel Land Limited and Keppel Telecommunications & Transportation Ltd, subsidiaries of the Company are disclosed in the annual reports of the respective publicly-listed subsidiaries.

4. Reserves

	GROUP		**COMPANY**	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Capital Reserves				
Share option and share plan reserve	**208,431**	198,156	**188,432**	180,396
Fair value reserve	**192,023**	181,662	**-**	-
Hedging reserve	**1,298**	204,546	**-**	-
Bonus issue by subsidiaries	**40,000**	40,000	**-**	-
Others	**59,001**	57,899	**-**	-
	500,753	682,263	**188,432**	180,396
Revenue Reserves	**8,301,117**	7,815,216	**4,300,590**	4,401,538
Foreign Exchange Translation Account	**(306,566)**	(375,117)	**-**	-
	8,495,304	8,122,362	**4,489,022**	4,581,934

Movements in the Group's and the Company's reserves are set out in the Statements of Changes in Equity.

5. Fixed assets

	Freehold Land & Buildings $'000	Leasehold Land & Buildings $'000	Vessels & Floating Docks $'000	Plant, Machinery & Equipment $'000	Capital Work-in-Progress $'000	Total $'000
Group						
2013						
Cost						
At 1 January	111,512	1,549,020	448,445	2,092,551	1,037,992	5,239,520
Additions	11,165	68,829	40,777	76,608	490,776	688,155
Disposals	(869)	(418)	(39,706)	(23,286)	-	(64,279)
Write-off	-	(245)	-	(4,498)	(1,248)	(5,991)
Subsidiaries acquired	-	63,516	-	3,947	180	67,643
Subsidiaries disposed	-	(9,968)	-	(1,383)	-	(11,351)
Reclassification						
- Stocks	-	-	-	(839)	(24,161)	(25,000)
- Other assets	-	-	-	(821)	1,492	671
- Other fixed assets categories	1,684	173,702	2,573	910,075	(1,088,034)	-
Exchange differences	(2,830)	14,389	(2,152)	(9,005)	1,899	2,301
At 31 December	120,662	1,858,825	449,937	3,043,349	418,896	5,891,669
Accumulated Depreciation & Impairment Losses						
At 1 January	41,774	664,917	161,627	1,033,769	-	1,902,087
Depreciation charge	4,622	50,502	22,523	156,005	-	233,652
Disposals	(611)	(299)	(12,391)	(22,381)	-	(35,682)
Write-off	-	-	-	(4,509)	-	(4,509)
Subsidiaries disposed	-	(1,354)	-	(626)	-	(1,980)
Reclassification						
- Stocks	-	-	-	(34)	-	(34)
- Other fixed assets categories	-	4,851	-	(4,851)	-	-
Exchange differences	(968)	4,583	149	(3,908)	-	(144)
At 31 December	44,817	723,200	171,908	1,153,465	-	2,093,390
Net Book Value	75,845	1,135,625	278,029	1,889,884	418,896	3,798,279

	Freehold Land & Buildings $'000	Leasehold Land & Buildings $'000	Vessels & Floating Docks $'000	Plant, Machinery & Equipment $'000	Capital Work-in-Progress $'000	Total $'000
Group						
2012						
Cost						
At 1 January	102,542	1,446,784	412,244	2,118,150	594,740	4,674,460
Additions	6,320	6,448	18,094	83,209	701,967	816,038
Disposals	(5,325)	(6,760)	(18,703)	(20,360)	-	(51,148)
Write-off	-	(72)	-	(1,383)	(927)	(2,382)
Subsidiaries acquired	-	103,794	-	5,501	703	109,998
Subsidiaries disposed	(111)	(21,527)	-	(182,585)	-	(204,223)
Reclassification						
- Stocks	-	-	(16,147)	-	-	(16,147)
- Other assets	-	-	315	(11)	(4,818)	(4,514)
- Other fixed assets categories	10,078	46,122	58,122	127,235	(241,557)	-
Exchange differences	(1,992)	(25,769)	(5,480)	(37,205)	(12,116)	(82,562)
At 31 December	111,512	1,549,020	448,445	2,092,551	1,037,992	5,239,520
Accumulated Depreciation & Impairment Losses						
At 1 January	37,536	634,357	151,024	1,136,026	-	1,958,943
Depreciation charge	3,892	43,330	24,913	128,949	-	201,084
Disposals	(1,617)	(2,928)	(9,811)	(19,091)	-	(33,447)
Write-off	-	-	-	(1,205)	-	(1,205)
Subsidiaries disposed	(111)	-	-	(182,466)	-	(182,577)
Reclassification						
- Stocks	-	98	(2,090)	366	-	(1,626)
Exchange differences	2,074	(9,940)	(2,409)	(28,810)	-	(39,085)
At 31 December	41,774	664,917	161,627	1,033,769	-	1,902,087
Net Book Value	69,738	884,103	286,818	1,058,782	1,037,992	3,337,433

Certain plant, machinery and equipment with carrying amount of $102,112,000 (2012: $65,204,000) are mortgaged to banks for loan facilities (Note 19).

Interest capitalised during the financial year amounted to $4,671,000 (2012: $9,968,000).

5. Fixed assets (continued)

	Freehold Land & Buildings $'000	Plant, Machinery & Equipment $'000	Total $'000
Company			
2013			
Cost			
At 1 January	**1,419**	**6,894**	**8,313**
Additions	**45**	**687**	**732**
Disposals	**-**	**(385)**	**(385)**
At 31 December	**1,464**	**7,196**	**8,660**
Accumulated Depreciation			
At 1 January	**1,144**	**6,610**	**7,754**
Depreciation charge	**76**	**327**	**403**
Disposals	**-**	**(379)**	**(379)**
At 31 December	**1,220**	**6,558**	**7,778**
Net Book Value	**244**	**638**	**882**
2012			
Cost			
At 1 January	6,569	6,888	13,457
Additions	175	318	493
Disposals	(5,325)	(312)	(5,637)
At 31 December	1,419	6,894	8,313
Accumulated Depreciation			
At 1 January	2,725	6,652	9,377
Depreciation charge	36	270	306
Disposals	(1,617)	(312)	(1,929)
At 31 December	1,144	6,610	7,754
Net Book Value	275	284	559

6. Investment properties

	GROUP	
	2013 $'000	2012 $'000
At 1 January	**5,423,060**	4,610,107
Development expenditure	**247,769**	24,551
Fair value gain		
- Attributable to the Group (Note 24)	**156,284**	172,101
- Attributable to third parties under a contractual agreement	**4,685**	-
Subsidiary acquired	**133,420**	732,409
Subsidiary disposed	**(3,757,083)**	(81,710)
Reclassification		
- Stocks and work-in-progress	**(9,200)**	-
Exchange differences	**(11,077)**	(34,398)
At 31 December	**2,187,858**	5,423,060

The Group's investment properties (including integral plant and machinery) are stated at Directors' valuations based on the following valuations (open market value basis), performed on an annual basis, by independent firms of professional valuers as at 31 December 2013:

- Colliers International Consultancy & Valuation (Singapore) Pte Ltd for properties in Singapore;
- DTZ Debenham Tie Leung (Vietnam) Co. Ltd for properties in Vietnam;
- KJPP Wilson & Rekan (an affiliate of Knight Frank) for properties in Indonesia;
- Cushman & Wakefield Valuation Advisory Services (HK) Ltd for a property in China; and
- Agency for Real Estate Affairs Co., Ltd for a property in Thailand.

Based on valuations performed by the independent valuers, management has analysed the appropriateness of the fair value changes.

Interest capitalised during the financial year amounted to $1,067,000 (2012: $694,000).

The Group has mortgaged certain investment properties of up to an aggregate amount of $588,400,000 (2012: $2,123,730,000) to banks for loan facilities (Note 19).

7. Subsidiaries

	COMPANY	
	2013 $'000	2012 $'000
Quoted shares, at cost		
Market value: $3,505,684,000 (2012: $4,008,470,000)	**2,083,839**	2,083,822
Unquoted shares, at cost	**3,066,728**	3,470,628
	5,150,567	5,554,450
Provision for impairment	**(56,115)**	(621,070)
	5,094,452	4,933,380

Movements in the provision for impairment of subsidiaries are as follows:

	COMPANY	
	2013 $'000	2012 $'000
At 1 January	**621,070**	475,000
(Credit)/charge to profit and loss account	**(564,955)**	146,070
At 31 December	**56,115**	621,070

7. Subsidiaries (continued)

During the financial year, arising from the sale of certain subsidiaries of the Company to another wholly-owned subsidiary, provision for impairment of investments in these subsidiaries had been written-back. This transaction has no material impact on the Group's consolidated financial statements.

During the previous year, provision for impairment amounting to $146,070,000 had been made for certain subsidiaries of the Company as a result of their recoverable amounts being estimated to be less than their carrying amounts.

Information relating to significant subsidiaries consolidated in the financial statements is given in Note 35.

8. Associated companies

	GROUP	
	2013 $'000	2012 $'000
Quoted shares, at cost Market value: $3,066,879,000 (2012: $1,062,078,000)	**2,283,983**	651,580
Unquoted shares, at cost	**163,766**	1,470,846
	2,447,749	2,122,426
Provision for impairment	**(149,498)**	(157,901)
	2,298,251	1,964,525
Share of reserves	**2,646,263**	2,121,333
	4,944,514	4,085,858
Advances to associated companies	**537,659**	1,180,744
	5,482,173	5,266,602

Movements in the provision for impairment of associated companies are as follows:

	GROUP	
	2013 $'000	2012 $'000
At 1 January	**157,901**	166,687
Write-back of impairment loss (Note 24)	**(2,818)**	(7,673)
Disposal	**(6,446)**	-
Exchange differences	**861**	(1,113)
At 31 December	**149,498**	157,901

Long term advances to associated companies are unsecured and considered to be part of investment in associated companies. They are not repayable within the next 12 months. Interest is charged at rates ranging from 1.87% to 2.02% (2012: 1.23% to 3.85%) per annum. During the financial year, the Group wrote back an impairment loss of $2,818,000 (2012: $7,673,000) on investment in associated companies.

	GROUP	
	2013 $'000	2012 $'000
The share of net profit of associated companies is as follows:		
Share of profit before tax	**625,867**	602,548
Share of taxation (Note 26)	**(57,608)**	(27,096)
Share of net profit	**568,259**	575,452

The summarised financial information of associated companies, not adjusted for the Group's proportionate share, is as follows:

	GROUP	
	2013 $'000	2012 $'000
Total assets	**22,641,871**	22,196,158
Total liabilities	**9,769,863**	9,952,448
Revenue	**5,020,684**	4,688,181
Net profit	**1,453,096**	1,788,221

Information relating to significant associated companies whose results are included in the financial statements is given in Note 35.

9. Investments

	GROUP	
	2013 $'000	2012 $'000
Available-for-sale investments:		
Quoted equity shares	**52,251**	1,442
Unquoted equity shares	**88,319**	79,923
Unquoted property funds	**112,222**	133,044
Quoted bonds	**11,953**	10,971
	264,745	225,380

10. Long term assets

	GROUP		COMPANY	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Staff loans	**1,751**	1,916	**440**	341
Long term receivables and others	**296,145**	185,013	-	-
	297,896	186,929	**440**	341
Less: Amounts due within one year and included in debtors (Note 14)	**(14,261)**	(11,440)	**(222)**	(173)
	283,635	175,489	**218**	168
Provision for doubtful debts	**(4,718)**	-	**-**	-
	278,917	175,489	**218**	168
Movements in the provision for doubtful debts are as follows:				
At 1 January	**-**	-	**-**	-
Charged to profit and loss account	**4,577**	-	**-**	-
Exchange differences	**141**	-	**-**	-
At 31 December	**4,718**	-	**-**	-

Included in staff loans are interest-free advances to certain Directors amounting to $50,000 (2012: $90,000) and to directors of related corporations amounting to $116,000 (2012: $238,000) under an approved car loan scheme.

Long term receivables are unsecured, largely repayable after five years and bears effective interest ranging from 0.11% to 11.00% (2012: 2.00% to 13.00%) per annum.

The fair value of long term receivables for the Group is $290,530,000 (2012: $186,486,000). The carrying amount of long term receivables for the Company approximates its fair value. These fair values, under Level 2 of the fair value hierarchy, are computed on the discounted cash flow basis using discount rates based upon market-related rates for similar instruments as at the balance sheet date.

11. Intangibles

	Goodwill $'000	Development Expenditure $'000	Customer Contracts $'000	Total $'000
Group				
2013				
At 1 January	**59,270**	**29,779**	**20,559**	**109,608**
Additions	**-**	**769**	**-**	**769**
Amortisation	**-**	**(7,172)**	**(1,468)**	**(8,640)**
Subsidiary disposed	**-**	**(15,549)**	**-**	**(15,549)**
Exchange differences	**-**	**52**	**-**	**52**
At 31 December	**59,270**	**7,879**	**19,091**	**86,240**
Cost	**59,270**	**21,800**	**24,963**	**106,033**
Accumulated amortisation	**-**	**(13,921)**	**(5,872)**	**(19,793)**
	59,270	**7,879**	**19,091**	**86,240**
2012				
At 1 January	59,270	17,276	22,027	98,573
Additions	-	20,839	-	20,839
Amortisation	-	(7,960)	(1,468)	(9,428)
Exchange differences	-	(376)	-	(376)
At 31 December	59,270	29,779	20,559	109,608
Cost	59,270	52,304	24,963	136,537
Accumulated amortisation	-	(22,525)	(4,404)	(26,929)
	59,270	29,779	20,559	109,608

For the purpose of impairment testing, goodwill is allocated to cash-generating units.

Goodwill allocated to Offshore & Marine division amounted to $2,092,000 (2012: $2,092,000). The recoverable amount is determined based on value-in-use calculation using cash flow projections derived from the most recent financial budgets approved by management for the next five years using discount rates of 7.44% (2012: 7.22%). The key assumptions are those regarding the discount rate and expected changes to selling prices and direct costs. Management estimates discount rate using pre-tax rate that reflects current market assessment of the time value of money and risks specific to the unit. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Goodwill allocated to Infrastructure division amounted to $57,178,000 (2012: $57,178,000). The recoverable amount of goodwill at the balance sheet date is based on current bid prices of the quoted shares of the cash-generating unit.

12. Stocks & work-in-progress

		GROUP	
		2013 $'000	2012 $'000
Work-in-progress in excess of related billings	(a)	**1,679,714**	2,258,599
Stocks	(c)	**330,293**	234,296
Properties held for sale	(d)	**6,984,719**	5,168,003
		8,994,726	7,660,898
Billings on work-in-progress in excess of related costs	(b)	**(2,714,983)**	(1,619,475)

(a) Work-in-progress in excess of related billings

Costs incurred and attributable profits	**7,705,970**	9,649,476
Provision for loss on work-in-progress	**(4,491)**	(4,443)
	7,701,479	9,645,033
Less: Progress billings	**(6,021,765)**	(7,386,434)
	1,679,714	2,258,599

Movements in the provision for loss on work-in-progress are as follows:

At 1 January	**4,443**	4,137
Charge to profit and loss account	**48**	306
At 31 December	**4,491**	4,443

(b) Billings on work-in-progress in excess of related costs

Costs incurred and attributable profits	**13,544,089**	9,754,918
Less: Progress billings	**(16,259,072)**	(11,374,393)
	(2,714,983)	(1,619,475)

(c) Stocks

Consumable materials and supplies	**224,755**	170,007
Finished products for sale	**105,538**	64,289
	330,293	234,296

(d) Properties held for sale

Properties under development		
Land cost	**5,081,312**	3,434,710
Development cost incurred to date	**1,190,765**	684,975
Related overhead expenditure	**459,667**	292,601
Progress billings	**(577,528)**	(315,487)
	6,154,216	4,096,799
Completed properties held for sale	**860,396**	1,099,770
	7,014,612	5,196,569
Provision for properties held for sale	**(29,893)**	(28,566)
	6,984,719	5,168,003

12. Stocks & work-in-progress (continued)

Movements in the provision for properties held for sale are as follows:

	GROUP	
	2013 $'000	2012 $'000
At 1 January	**28,566**	41,016
Charge/(write-back) to profit and loss account	**1,383**	(6,656)
Amount utilised	**-**	(4,780)
Exchange differences	**(56)**	(1,014)
At 31 December	**29,893**	28,566

The following table provides information about agreements that are in progress at the reporting date whose revenue are recognised on a percentage of completion basis:

	GROUP	
	2013 $'000	2012 $'000
Aggregate amount of costs incurred and recognised profit (less recognised losses) to date	**2,900,451**	1,724,447
Less: Progress billings	**(668,576)**	(340,918)
At 31 December	**2,231,875**	1,383,529

Interest capitalised during the financial year amounted to $78,409,000 (2012: $48,184,000) at rates ranging from 0.58% to 2.50% (2012: 0.67% to 2.50%) per annum for Singapore properties and 3.34% to 10.00% (2012: 2.01% to 17.80%) per annum for overseas properties.

Certain properties held for sale with carrying amount of $2,204,792,000 (2012: $915,740,000) are mortgaged to banks for loan facilities (Note 19).

13. Amounts due from/to

	GROUP		COMPANY	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Subsidiaries				
Amounts due from				
- trade	**-**	-	**22,372**	5,153
- advances	**-**	-	**3,449,741**	2,656,742
	-	-	**3,472,113**	2,661,895
Provision for doubtful debts	**-**	-	**(6,600)**	(6,600)
	-	-	**3,465,513**	2,655,295
Amounts due to				
- trade	**-**	-	**156,772**	175,533
- advances	**-**	-	**794,556**	153,673
	-	-	**951,328**	329,206
Movements in the provision for doubtful debts are as follows:				
At 1 January/31 December	**-**	-	**6,600**	6,600

Advances to and from subsidiaries are unsecured and are repayable on demand. Interest is charged at rates ranging from 0.00% to 8.00% (2012: 0.00% to 4.02%) per annum on interest-bearing advances.

	GROUP		COMPANY	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Associated Companies				
Amounts due from				
- trade	**198,498**	121,974	**9,430**	1,719
- advances	**838,994**	574,970	**-**	-
	1,037,492	696,944	**9,430**	1,719
Provision for doubtful debts	**(286)**	(207)	**-**	-
	1,037,206	696,737	**9,430**	1,719
Amounts due to				
- trade	**21,402**	12,053	**-**	-
- advances	**50,297**	51,442	**3**	-
	71,699	63,495	**3**	-
Movements in the provision for doubtful debts are as follows:				
At 1 January	**207**	238	**-**	-
Charge/(write-back) to profit and loss account	**79**	(31)	**-**	-
At 31 December	**286**	207	**-**	-

Advances to and from associated companies are unsecured and are repayable on demand. Interest is charged at rates ranging from 0.22% to 12.50% (2012: 0.13% to 12.50%) per annum on interest-bearing advances.

14. Debtors

	GROUP		COMPANY	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Trade debtors	**1,118,868**	1,171,118	**-**	-
Provision for doubtful debts	**(10,500)**	(11,392)	**-**	-
	1,108,368	1,159,726	**-**	-
Long term receivables due within one year (Note 10)	**14,261**	11,440	**222**	173
Sundry debtors	**62,483**	111,515	**693**	350
Prepaid project cost & prepayments	**63,623**	47,698	**326**	365
Derivative financial instruments (Note 32)	**50,050**	174,227	**32,229**	156,513
Tax recoverable	**13,900**	14,614	**-**	-
Goods & Services Tax receivable	**59,400**	66,160	**-**	-
Interest receivable	**14,419**	15,288	**50**	40
Deposits paid	**37,464**	31,127	**284**	296
Land tender deposits	**-**	16,457	**-**	-
Advance land payments	**37,132**	-	**-**	-
Recoverable accounts	**120,808**	31,572	**-**	-
Accrued receivables	**125,267**	18,421	**-**	-
Advances to subcontractors	**117,327**	57,367	**-**	-
Advances to corporations in which the Group has investment interests	**215**	248	**-**	-
Advances to non-controlling shareholders of subsidiaries	**113,496**	108,800	**-**	-
	829,845	704,934	**33,804**	157,737
Provision for doubtful debts	**(22,466)**	(25,575)	**-**	-
	807,379	679,359	**33,804**	157,737
Total	**1,915,747**	1,839,085	**33,804**	157,737

14. Debtors (continued)

Movements in the provision for doubtful debts are as follows:

	GROUP		COMPANY	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
At 1 January	**36,967**	67,831	**-**	-
Write-back to profit and loss account	**(2,322)**	(28,151)	**-**	-
Amount written off	**(1,634)**	(2,367)	**-**	-
Subsidiary disposed	**(94)**	43	**-**	-
Exchange differences	**49**	(389)	**-**	-
At 31 December	**32,966**	36,967	**-**	-

15. Short term investments

	GROUP	
	2013 $'000	2012 $'000
Available-for-sale investments:		
Quoted equity shares	**320,002**	301,189
Unquoted equity shares	**1,172**	1,137
Unquoted unit trust	**40,383**	48,265
Unquoted debt securities	**1,892**	1,802
Total available-for-sale investments	**363,449**	352,393
Investments held for trading:		
Quoted equity shares	**81,624**	64,714
Total short term investments	**445,073**	417,107

16. Bank balances, deposits and cash

	GROUP		COMPANY	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Bank balances and cash	**3,938,778**	2,542,851	**2,466**	3,773
Fixed deposits with banks	**1,520,308**	1,322,014	**-**	-
Amounts held under escrow accounts for overseas acquisition of land, payment of construction cost and liabilities	**6,582**	18,653	**-**	-
Amounts held under project accounts, withdrawals from which are restricted to payments for expenditures incurred on projects	**98,988**	171,658	**-**	-
	5,564,656	4,055,176	**2,466**	3,773

Fixed deposits with banks of the Group mature on varying periods, substantially between 1 day to 3 months (2012: 1 day to 3 months). This comprises Singapore dollar fixed deposits of $82,761,000 (2012: $140,590,000) at interest rates ranging from 0.00% to 2.81% (2012: 0.01% to 4.44%) per annum, and foreign currency fixed deposits of $1,437,547,000 (2012: $1,181,424,000) at interest rates ranging from 0.00% to 10.50% (2012: 0.01% to 14.50%) per annum.

17. Creditors

	GROUP		COMPANY	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Trade creditors	**757,308**	878,560	**-**	-
Customers' advances and deposits	**73,551**	120,720	**-**	-
Progress billings received	**236,395**	114,052	**-**	-
Derivative financial instruments (Note 32)	**121,191**	110,092	**104,067**	37,134
Sundry creditors	**1,453,693**	1,245,140	**2,827**	3,302
Accrued operating expenses	**2,242,368**	2,485,719	**151,329**	137,171
Advances from non-controlling shareholders	**312,833**	344,921	**-**	-
Retention monies	**175,891**	135,133	**-**	-
Interest payables	**35,967**	31,329	**16,966**	14,265
	5,409,197	5,465,666	**275,189**	191,872

Advances from non-controlling shareholders of certain subsidiaries are unsecured and are repayable on demand. Interest is charged at rates ranging from 1.90% to 6.68% (2012: 0.81% to 4.20%) per annum on interest-bearing advances.

18. Provisions

	Warranties $'000	Claims $'000	Total $'000
Group			
2013			
At 1 January	**130,169**	**15,000**	**145,169**
Charge to profit and loss account	**18,134**	**-**	**18,134**
Amount utilised	**(448)**	**(5,000)**	**(5,448)**
Exchange differences	**5,743**	**5**	**5,748**
At 31 December	**153,598**	**10,005**	**163,603**
2012			
At 1 January	115,899	15,004	130,903
Charge/(write-back) to profit and loss account	17,792	(3)	17,789
Amount utilised	(288)	-	(288)
Exchange differences	(3,234)	(1)	(3,235)
At 31 December	130,169	15,000	145,169

19. Term loans

		2013		2012	
		Due within one year $'000	**Due after one year $'000**	Due within one year $'000	Due after one year $'000
Group					
Keppel Corporation Medium Term Notes	(a)	**-**	**1,500,000**	-	1,500,000
Keppel Land Medium Term Notes	(b)	**-**	**899,000**	75,000	889,750
Keppel Land 2.5% Convertible Bonds 2013	(c)	**-**	**-**	296,609	-
Keppel Land 1.875% Convertible Bonds 2015	(d)	**-**	**491,188**	-	486,800
Keppel Telecommunications & Transportation Medium Term Notes	(e)	**-**	**120,000**	-	120,000
Bank and other loans					
- secured	(f)	**198,619**	**741,725**	171,831	1,219,852
- unsecured	(g)	**318,046**	**2,830,948**	462,114	1,985,943
		516,665	**6,582,861**	1,005,554	6,202,345
Company					
Keppel Corporation Medium Term Notes	(a)	**-**	**1,500,000**	-	1,500,000
Unsecured bank loans	(g)	**160,838**	**-**	-	-
		160,838	**1,500,000**	-	1,500,000

(a) At the end of the financial year, notes issued under the US$3,000,000,000 Multi-Currency Medium Term Note Programme by the Company amounted to $1,500,000,000 (2012: $1,500,000,000). The notes are unsecured and comprised fixed rate notes due from 2020 to 2042 (2012: from 2020 to 2042) with interest rates ranging from 3.10% to 4.00% (2012: 3.10% to 4.00%) per annum.

(b) At the end of the financial year, notes issued under the US$3,000,000,000 Multi-Currency Medium Term Note Programme by Keppel Land Limited and its wholly-owned subsidiary, Keppel Land Financial Services Pte. Ltd. amounted to $314,000,000 (2012: $304,750,000). The fixed rate notes, due in 2019, are unsecured and carried an interest rate of 3.26% (2012: 3.26%) per annum.

At the end of the financial year, notes issued under the US$800,000,000 Multi-Currency Medium Term Note Programme by Keppel Land Limited amounted to $585,000,000 (2012: $660,000,000). The notes are unsecured and comprised fixed rate notes due from 2015 to 2024 (2012: 2013 to 2024) with interest rates ranging from 2.67% to 3.90% (2012: 2.67% to 3.90%) per annum.

(c) The $300,000,000 2.50%, 7 year convertible bonds, convertible at the option of bondholders to Keppel Land Limited ordinary shares at a conversion price of $5.58 per share, were issued in 2006 by Keppel Land Limited. During the financial year, $600,000 of the bond was converted and cancelled pursuant to the exercise of conversion rights by a bondholder. Keppel Land Limited redeemed the remaining $299,400,000 upon maturity on 23 June 2013. Interest was payable semi-annually.

The convertible bonds are recognised on the balance sheet as follows:

	GROUP	
	2013 $'000	2012 $'000
Balance at 1 January	**296,609**	289,426
Interest expense	**7,018**	14,683
Interest paid	**(3,627)**	(7,500)
Conversion to ordinary shares of Keppel Land Limited	**(600)**	-
Redemption upon maturity	**(299,400)**	-
Liability component at 31 December	**-**	296,609

Interest expense on the convertible bonds was calculated based on the effective interest method by applying the interest rate of 4.78% (2012: 4.78%) per annum for an equivalent non-convertible bond to the liability component of the convertible bonds.

(d) The $500,000,000 1.875%, 5 year convertible bonds were issued in 2010 by Keppel Land Limited. Interest is payable semi-annually. The bonds, maturing on 29 November 2015, are convertible at the option of bondholders to Keppel Land ordinary shares at a conversion price of $6.72 per share. Any bondholder may request to redeem all of its bonds in the event that its shares cease to be listed or admitted to trading on the Singapore Stock Exchange.

The convertible bonds are recognised on the balance sheet as follows:

	GROUP	
	2013 $'000	2012 $'000
At 1 January	**486,800**	482,683
Conversion to ordinary shares of Keppel Land Limited	**-**	(200)
Interest expense	**13,763**	13,692
Interest paid	**(9,375)**	(9,375)
Liability component at 31 December	**491,188**	486,800

Interest expense on the convertible bonds is calculated based on the effective interest method by applying the interest rate of 2.50% (2012: 2.50%) per annum for an equivalent non-convertible bond to the liability component of the convertible bonds.

(e) At the end of the financial year, notes issued under the S$500,000,000 Multi-Currency Medium Term Note Programme by Keppel Telecommunications & Transportation Ltd, amounted to $120,000,000 (2012: $120,000,000). The fixed rates notes, due in 2019, are unsecured and carried an interest rate of 2.63% (2012: 2.63%) per annum from August 2012 to August 2017, and at 3.83% (2012: 3.83%) per annum from August 2017 to August 2019.

(f) The secured bank loans consist of:

- A term loan of $137,000,000 (2012: $240,000,000) drawn down by a subsidiary. The term loan is repayable in 2014 and is secured on certain assets of the subsidiary. Interest is based on money market rates ranging from 0.58% to 1.25% (2012: 0.67% to 1.25%) per annum.

- A term loan of $38,000,000 (2012: $Nil) drawn down by a subsidiary. The term loan is repayable in 2015 and is secured on the investment property of the subsidiary. Interest is based on money market rates ranging from 1.37% to 1.44% (2012: Nil %) per annum.

- A term loan of $244,428,000 (2012: $158,600,000) drawn down by a subsidiary. The term loan is repayable in 2016 and is secured on the investment property of the subsidiary. Interest is based on money market rates ranging from 1.42% to 1.49% (2012: 1.08% to 1.23%) per annum.

- A term loan of $290,000,000 (2012: $Nil) drawn down by a subsidiary. The term loan is repayable in 2017 and is secured on certain assets of the subsidiary. Interest is based on money market rates ranging from 1.26% to 1.33% (2012: Nil %) per annum.

- Term loans of $22,400,000 (2012: $35,200,000) drawn down by subsidiaries. The term loans are repayable between one to two years and are secured on certain fixed assets of the subsidiaries. Interest is based on money market rates ranging from 0.79% to 0.82% (2012: 0.93% to 0.99%) per annum.

- Other secured bank loans comprised $208,516,000 (2012: $104,103,000) of foreign currency loans. They are repayable between one to six years and are secured on certain fixed and other assets of subsidiaries. Interest on foreign currency loans is based on money market rates ranging from 6.33% to 16.70% (2012: 6.77% to 9.93%) per annum.

19. Term loans (continued)

(g) The unsecured bank and other loans of the Group totalling $3,148,994,000 (2012: $2,448,057,000) comprised $1,340,492,000 (2012: $1,528,224,000) of loans denominated in Singapore dollar and $1,808,502,000 (2012: $919,833,000) of foreign currency loans. They are repayable between one to seven (2012: one to five) years. Interest on loans denominated in Singapore dollar is based on money market rates ranging from 0.86% to 2.90% (2012: 0.83% to 2.98%) per annum. Interest on foreign currency loans is based on money market rates ranging from 0.75% to 10.17% (2012: 0.71% to 17.80%) per annum.

The unsecured bank loans of the Company totalling $160,838,000 (2012: $Nil), denominated foreign currency, are repayable within one (2012: Nil) month and are based on money market rates ranging from 0.75% to 2.91% (2012: Nil%) per annum.

The Group has mortgaged certain properties and assets of up to an aggregate amount of $2,895,304,000 (2012: $3,104,674,000) to banks for loan facilities.

The fair values of term loans for the Group and Company are $6,809,218,000 (2012: $7,281,995,000) and $1,641,236,000 (2012: $1,533,629,000) respectively. These fair values, under Level 2 of the fair value hierarchy, are computed on the discounted cash flow method using a discount rate based upon the borrowing rate which the Group expect would be available as at the balance sheet date.

Loans due after one year are estimated to be repayable as follows:

	GROUP		COMPANY	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Years after year-end:				
After one but within two years	**1,731,231**	632,410	**-**	-
After two but within five years	**2,314,607**	3,314,279	**-**	-
After five years	**2,537,023**	2,255,656	**1,500,000**	1,500,000
	6,582,861	6,202,345	**1,500,000**	1,500,000

20. Bank overdrafts

As at 31 December 2013, interest on the bank overdrafts was payable at the banks' prevailing prime rate of 5.72% per annum. The bank overdrafts are secured by certain assets of a subsidiary.

21. Deferred taxation

	GROUP		COMPANY	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Deferred tax liabilities:				
Accelerated tax depreciation	**288,306**	232,894	**-**	-
Investment properties valuation	**124,183**	120,937	**-**	-
Offshore income & others	**139,257**	83,405	**4,933**	4,932
	551,746	437,236	**4,933**	4,932
Deferred tax assets:				
Other provisions	**(37,600)**	(39,847)	**-**	-
Unutilised tax benefits	**(72,257)**	(35,506)	**-**	-
	(109,857)	(75,353)	**-**	-
Net deferred tax liabilities	**441,889**	361,883	**4,933**	4,932

Deferred tax assets are recognised for unutilised tax benefits carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

The Group has unutilised tax losses and capital allowances of $444,251,000 (2012: $672,597,000) for which no deferred tax benefit is recognised in the balance sheet. These tax losses and capital allowances can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The unutilised tax losses and capital allowances do not have expiry dates.

Movements in deferred tax liabilities and assets are as follows:

	At 1 January $'000	Charged/ (credited) to profit or loss $'000	Charged/ (credited) to other comprehensive income $'000	Subsidiaries disposed $'000	Subsidiaries acquired $'000	Reclassification $'000	Exchange differences $'000	At 31 December $'000
Group								
2013								
Deferred Tax Liabilities								
Accelerated tax depreciation	**232,894**	**55,259**	**-**	**-**	**674**	**-**	**(521)**	**288,306**
Investment properties valuation	**120,937**	**3,291**	**-**	**-**	**-**	**-**	**(45)**	**124,183**
Offshore income & others	**83,405**	**3,011**	**229**	**-**	**50,595**	**-**	**2,017**	**139,257**
Total	**437,236**	**61,561**	**229**	**-**	**51,269**	**-**	**1,451**	**551,746**
Deferred Tax Assets								
Other provisions	**(39,847)**	**2,195**	**-**	**-**	**-**	**-**	**52**	**(37,600)**
Unutilised tax benefits	**(35,506)**	**(35,813)**	**-**	**-**	**-**	**-**	**(938)**	**(72,257)**
Total	**(75,353)**	**(33,618)**	**-**	**-**	**-**	**-**	**(886)**	**(109,857)**
Net Deferred Tax Liabilities	**361,883**	**27,943**	**229**	**-**	**51,269**	**-**	**565**	**441,889**
2012								
Deferred Tax Liabilities								
Accelerated tax depreciation	182,322	49,801	-	-	-	-	771	232,894
Investment properties valuation	12,820	1,939	-	(8,388)	115,228	-	(662)	120,937
Offshore income & others	108,019	(1,038)	(639)	-	19,275	(41,172)	(1,040)	83,405
Total	303,161	50,702	(639)	(8,388)	134,503	(41,172)	(931)	437,236
Deferred Tax Assets								
Other provisions	(11,090)	(28,996)	-	44	-	-	195	(39,847)
Unutilised tax benefits	(8,590)	(27,516)	-	-	-	-	600	(35,506)
Total	(19,680)	(56,512)	-	44	-	-	795	(75,353)
Net Deferred Tax Liabilities	283,481	(5,810)	(639)	(8,344)	134,503	(41,172)	(136)	361,883
Company								
2013								
Deferred Tax Liabilities								
Offshore income	**4,932**	**1**	**-**	**-**	**-**	**-**	**-**	**4,933**
2012								
Deferred Tax Liabilities								
Offshore income	4,936	(4)	-	-	-	-	-	4,932

22. Revenue

	GROUP 2013 $'000	2012 $'000
Revenue from construction contracts	**7,226,479**	7,969,213
Sale of property		
- Recognised on completion of construction method	**683,737**	2,070,632
- Recognised on percentage of completion method	**713,709**	574,224
Sale of goods	**34,937**	41,202
Rental income from investment properties	**199,675**	246,536
Revenue from services rendered	**3,514,581**	3,056,114
Dividend income from quoted shares	**6,880**	6,175
Others	**421**	745
	12,380,419	13,964,841

23. Staff costs

	GROUP 2013 $'000	2012 $'000
Wages and salaries	**1,326,667**	1,255,631
Employer's contribution to Central Provident Fund	**109,763**	120,140
Share options and share plans granted to Directors and employees	**55,362**	49,882
Other staff benefits	**176,445**	153,096
	1,668,237	1,578,749

24. Operating profit

Operating profit is arrived at after charging/(crediting) the following:

	GROUP 2013 $'000	2012 $'000
Auditors' remuneration		
- auditors of the Company	**1,419**	1,480
- other auditors of subsidiaries	**4,369**	4,522
Fees and other remuneration to Directors of the Company	**2,371**	1,672
Contracts for services rendered by Directors or with a company in which a Director has a substantial financial interest	**783**	1,621
Key management's emoluments (including executive directors' remuneration)		
- short-term employee benefits	**30,144**	30,821
- post-employment benefits	**110**	131
- share options and share plans granted	**12,259**	12,108
Depreciation of fixed assets	**233,652**	201,084
Write-off of fixed assets	**1,482**	1,177
Amortisation of intangibles	**8,640**	9,428
Profit on sale of fixed assets	**(3,865)**	(16,689)
Profit on sale of investments	**(537)**	(150,441)
Fair value (gain)/loss on		
- investments	**(9,350)**	(9,682)
- forward foreign exchange contracts	**15,474**	48,327
- interest rate caps and swaps	**(9,877)**	1,549

	GROUP 2013 $'000	2012 $'000
Charge/(write-back) for		
- warranties	**18,134**	(780)
- claims	**-**	(3)
Provision/(write-back) for stocks and work-in-progress	**4,173**	(4,579)
Provision/(write-back) for doubtful debts	**2,255**	(28,151)
Bad debts written off – trade debts	**719**	59
Cost of stocks & properties held for sale recognised as expense	**1,021,080**	1,765,235
Stocks written off	**75**	99
Rental expense		
- operating leases	**84,622**	77,643
Direct operating expenses		
- investment properties that generated rental income	**41,895**	67,377
(Gain)/loss on differences in foreign exchange	**(23,881)**	34,341
Gain on disposal of subsidiaries	**(307,726)**	(30,004)
Gain on disposal of associated companies	**-**	(3,120)
Write-back of impairment of associated companies (Note 8)	**(2,818)**	(7,673)
Fair value gain on investment properties (Note 6)	**(156,284)**	(172,101)
Write-back for restructuring of operations and others	**(43,088)**	(12,000)
Non-audit fees paid to		
- auditors of the Company	**35**	268
- other auditors of subsidiaries	**359**	1,490

25. Investment income, interest income and interest expenses

	GROUP 2013 $'000	2012 $'000
Investment income from:		
Shares - quoted outside Singapore	**1,849**	2,230
Shares - unquoted	**12,184**	4,471
	14,033	6,701
Interest income from:		
Bonds, debentures, deposits and associated companies	**144,189**	160,776
Interest expenses on:		
Bonds, debentures, fixed term loans and overdrafts	**(134,595)**	(133,384)
Fair value gain/(loss) on interest rate caps and swaps	**9,877**	(1,549)
	(124,718)	(134,933)

26. Taxation

(a) Income tax expense

	GROUP 2013 $'000	GROUP 2012 $'000
Tax expense comprised:		
Current tax	**370,197**	512,937
Adjustment for prior year's tax	**(36,132)**	(20,843)
Share of taxation of associated companies (Note 8)	**57,608**	27,096
Others	**(22,250)**	(12,761)
Deferred tax movement:		
Movements in temporary differences (Note 21)	**27,943**	(5,810)
	397,366	500,619

The income tax expense on the results of the Group differ from the amount of income tax expense determined by applying the Singapore standard rate of income tax to profit before tax due to the following:

	GROUP 2013 $'000	GROUP 2012 $'000
Profit before tax	**2,793,740**	3,256,267
Tax calculated at tax rate of 17% (2012: 17%)	**474,936**	553,565
Income not subject to tax	**(259,183)**	(283,810)
Expenses not deductible for tax purposes	**145,703**	258,328
Utilisation of previously unrecognised tax benefits	**(14,778)**	(16,574)
Effect of different tax rates in other countries	**86,820**	9,953
Adjustment for prior year's tax	**(36,132)**	(20,843)
	397,366	500,619

(b) Movement in current income tax liabilities

	GROUP 2013 $'000	GROUP 2012 $'000	COMPANY 2013 $'000	COMPANY 2012 $'000
At 1 January	**764,862**	478,911	**21,097**	22,244
Exchange differences	**(8,225)**	(14,302)	**-**	-
Tax expense	**370,197**	512,937	**7,000**	11,000
Adjustment for prior year's tax	**(36,132)**	(20,843)	**(6,200)**	(5,638)
Income taxes paid	**(592,453)**	(213,619)	**(2,205)**	(6,626)
Subsidiary acquired	**203**	6,695	**-**	-
Subsidiaries disposed	**(13,827)**	(5,832)	**-**	-
Reclassification				
- deferred tax liabilities	**-**	41,172	**-**	-
- tax recoverable and others	**(19,121)**	(20,598)	**-**	-
Others	**(117)**	341	**(117)**	117
At 31 December	**465,387**	764,862	**19,575**	21,097

27. Earnings per ordinary share

	GROUP			
	2013 $'000 Basic	**2013 $'000 Diluted**	2012 $'000 Basic	2012 $'000 Diluted
Net profit attributable to shareholders	**1,845,792**	**1,845,792**	2,237,299	2,237,299
Adjustment for dilutive potential ordinary shares of subsidiaries and associated companies	**-**	**(844)**	-	(844)
Adjusted net profit	**1,845,792**	**1,844,948**	2,237,299	2,236,455
	Number of Shares '000		Number of Shares '000	
Weighted average number of ordinary shares	**1,805,198**	**1,805,198**	1,792,992	1,792,992
Adjustment for dilutive potential ordinary shares	**-**	**18,038**	-	17,055
Weighted average number of ordinary shares used to compute earnings per share	**1,805,198**	**1,823,236**	1,792,992	1,810,047
Earnings per ordinary share	**102.3 cts**	**101.2 cts**	124.8 cts	123.6 cts

28. Dividends

A final dividend of 30.0 cents per share tax exempt one-tier (2012: final dividend of 27.0 cents per share tax exempt one-tier) in respect of the financial year ended 31 December 2013 has been proposed for approval by shareholders at the next Annual General Meeting to be convened.

Together with the interim dividend comprising a cash dividend of 10.0 cents per share tax exempt one-tier (2012: 18.0 cents per share tax exempt one-tier) and a special dividend *in specie* of 8 Keppel REIT units for every 100 shares in the Company equivalent to 9.5 cents per share (2012: special dividend *in specie* of one Keppel REIT unit for every 5 shares in the Company equivalent to 28.6 cents per share), total distributions paid and proposed in respect of the financial year ended 31 December 2013 will be 49.5 cents per share (2012: 73.6 cents per share).

During the financial year, the following distributions were made:

	$'000
A final dividend of 27.0 cents per share tax exempt one-tier on the issued and fully paid ordinary shares in respect of the previous financial year	487,771
A special dividend *in specie* of one (1) Keppel REIT unit for every five (5) shares in the Company, equivalent to 28.6 cents per share, in respect of the previous financial year	516,675
An interim dividend of 10.0 cents per share tax exempt one-tier on the issued and fully paid ordinary shares in respect of the current financial year	180,735
A special dividend *in specie* of eight (8) Keppel REIT units for every one hundred (100) shares in the Company, equivalent to 9.5 cents per share, in respect of the current financial year	171,342
	1,356,523

29. Commitments

(a) Capital commitments

	GROUP	
	2013 $'000	2012 $'000
Capital expenditure not provided for in the financial statements:		
In respect of contracts placed:		
- for purchase and construction of investment properties	**67,709**	87,308
- for purchase of other fixed assets	**216,324**	291,362
- for purchase/subscription of shares in other companies	**134,871**	455,240
Amounts approved by Directors in addition to contracts placed:		
- for purchase and construction of investment properties	**156,676**	182,049
- for purchase of other fixed assets	**237,174**	307,536
- for purchase/subscription of shares in other companies	**68,448**	189,093
	881,202	1,512,588
Less: Non-controlling shareholders' shares	**(267,244)**	(424,464)
	613,958	1,088,124

There was no significant future capital expenditure/commitment of the Company.

(b) Lessee's lease commitments

The Group leases land and office buildings from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease payable in respect of significant non-cancellable operating leases as at the end of the financial year is as follows:

	GROUP		COMPANY	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Years after year-end:				
Within one year	**97,494**	78,208	**128**	122
From two to five years	**310,580**	218,042	**47**	167
After five years	**917,194**	683,079	**-**	-
	1,325,268	979,329	**175**	289

(c) Lessor's lease commitments

The Group leases out commercial space to non-related parties under non-cancellable operating leases. The future minimum lease receivable in respect of significant non-cancellable operating leases as at the end of the financial year is as follows:

	GROUP		COMPANY	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Years after year-end:				
Within one year	**166,001**	272,020	**-**	-
From two to five years	**259,806**	591,996	**-**	-
After five years	**152,263**	135,848	**-**	-
	578,070	999,864	**-**	-

Some of the operating leases are subject to revision of lease rentals at periodic intervals. For the purposes of the above, the prevailing lease rentals are used.

30. Contingent liabilities and guarantees (unsecured)

	GROUP		COMPANY	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Guarantees in respect of banks and other loans granted to subsidiaries and associated companies	**544,354**	183,035	**1,833,292**	1,745,784
Bank guarantees	**63,062**	59,686	**-**	-
Others	**537**	29,444	**-**	-
	607,953	272,165	**1,833,292**	1,745,784

The financial effects of FRS 39 relating to financial guarantee contracts issued by the Company are not material to the financial statements of the Company and therefore are not recognised.

31. Significant related party transactions

Other than the related party information disclosed elsewhere in the financial statements, there were no other significant related party transactions during the financial year.

32. Financial risk management

The Group operates internationally and is exposed to a variety of financial risks, comprising market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Financial risk management is carried out by the Keppel Group Treasury Department in accordance with established policies and guidelines. These policies and guidelines are established by the Group Central Finance Committee and are updated to take into account changes in the operating environment. This committee is chaired by the Chief Financial Officer of the Company and includes Chief Financial Officers of the Group's key operating companies and Head Office specialists.

Market Risk

(i) Currency risk

The Group has receivables and payables denominated in foreign currencies viz US dollars, European and other Asian currencies. The Group's foreign currency exposures arise mainly from the exchange rate movement of these foreign currencies against the functional currencies of the respective Group entities. To hedge against the volatility of future cash flows caused by changes in foreign currency rates, the Group utilises forward foreign currency contracts and other foreign currency hedging instruments to hedge the Group's exposure to specific currency risks relating to investments, receivables, payables and other commitments. Group Treasury Department monitors the current and projected foreign currency cash flow of the Group and aims to reduce the exposure of the net position in each currency by borrowing in foreign currency and other currency contracts where appropriate.

As at the end of the financial year, the Group has outstanding forward foreign exchange contracts with notional amounts totalling $9,185,298,000 (2012: $9,141,571,000). The net negative fair value of forward foreign exchange contracts is $77,275,000 (2012: net positive fair value $127,198,000) comprising assets of $27,818,000 (2012: $164,566,000) and liabilities of $105,093,000 (2012: $37,368,000). These amounts are recognised as derivative financial instruments in debtors (Note 14) and creditors (Note 17).

As at the end of the financial year, the Company has outstanding forward foreign exchange contracts with notional amounts totalling $8,949,991,000 (2012: $8,954,546,000). The net negative fair value of forward foreign exchange contracts is $71,838,000 (2012: net positive fair value $119,379,000) comprising assets of $32,229,000 (2012: $156,513,000) and liabilities of $104,067,000 (2012: $37,134,000). These amounts are recognised as derivative financial instruments in debtors (Note 14) and creditors (Note 17).

32. Financial risk management (continued)

Other than the above hedged foreign currency contracts, the unhedged currency exposure of financial assets and financial liabilities denominated in currencies other than the respective entities' functional currencies are as follows:

	2013			2012		
	USD $'000	Euro $'000	Others $'000	USD $'000	Euro $'000	Others $'000
Group						
Financial Assets						
Debtors	**91,747**	**1,673**	**52,685**	36,056	1,687	14,486
Investments	**161,410**	**8,475**	**86,944**	172,186	5,095	100,031
Bank balances, deposits & cash	**1,809,771**	**118,633**	**131,729**	2,156,741	29,016	155,233
Financial Liabilities						
Creditors	**89,456**	**6,455**	**18,415**	69,735	9,218	36,365
Term loans	**1,607,207**	**-**	**14,645**	1,075,223	-	-
Company						
Financial Assets						
Debtors	**32**	**-**	**118**	30	-	117
Bank balances, deposits & cash	**15**	**-**	**1,134**	40	-	1,332
Financial Liabilities						
Creditors	**-**	**-**	**-**	-	50	-

Sensitivity analysis for currency risk
If the relevant foreign currency change against SGD by 5% (2012: 5%) with all other variables held constant, the effects will be as follows:

	PROFIT BEFORE TAX		EQUITY	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Group				
USD against SGD				
- Strengthened	**10,276**	52,435	**8,096**	8,617
- Weakened	**(10,276)**	(52,435)	**(8,096)**	(8,617)
Euro against SGD				
- Strengthened	**5,670**	1,078	**422**	256
- Weakened	**(5,670)**	(1,078)	**(422)**	(256)
Company				
USD against SGD				
- Strengthened	**2**	4	**-**	-
- Weakened	**(2)**	(4)	**-**	-

(ii) Interest rate risk
The Group is exposed to interest rate risk for changes in interest rates primarily for debt obligations, placements in the money market and investments in bonds. The Group policy is to maintain a mix of fixed and variable rate debt instruments with varying maturities. Where necessary, the Group uses derivative financial instruments to hedge interest rate risks.

The Group enters into interest rate swap agreements to hedge the interest rate risk exposure arising from its S$ and US$ variable rate term loans (Note 19). As at the end of the financial year, the Group has interest rate swap agreements with notional amount totalling $1,140,845,000 (2012: $1,421,237,000) whereby it receives variable rates equal to SIBOR and LIBOR (2012: SIBOR) and pays fixed rates of between 1.27% and 3.62% (2012: 0.88% and 3.62%) on the notional amount.

The net negative fair value of interest rate swaps for the Group is $3,694,000 (2012: $54,957,000) comprising assets of $10,922,000 (2012: $Nil) and liabilities of $14,616,000 (2012: $54,957,000). These amounts are recognised as derivative financial instruments in debtors (Note 14) and creditors (Note 17).

Sensitivity analysis for interest rate risk
If interest rates increase/decrease by 0.5% (2012: 0.5%) with all other variables held constant, the Group's profit before tax would have been lower/higher by $11,081,000 (2012: $8,298,000) as a result of higher/lower interest expense on floating rate loans.

(iii) Price risk
The Group hedges against fluctuations arising on the purchase of natural gas that affect cost. Exposure to price fluctuations is managed via fuel oil forward contracts, whereby the price of natural gas is indexed to benchmark fuel price indices, High Sulphur Fuel Oil (HSFO) 180-CST and Dated Brent. As at the end of the financial year, the Group has outstanding HSFO and Dated Brent forward contracts with notional amounts totalling $421,604,000 (2012: $437,241,000) and $10,450,000 (2012: $Nil) respectively. The net positive fair value of HSFO forward contracts for the Group is $9,604,000 (2012: net negative fair value $8,106,000) comprising assets of $11,042,000 (2012: $9,661,000) and liabilities of $1,438,000 (2012: $17,767,000). The net positive fair value of Dated Brent forward contracts for the Group is $224,000 (2012: $Nil) comprising assets of $268,000 (2012: $Nil) and liabilities of $44,000 (2012: $Nil). These amounts are recognised as derivative financial instruments in debtors (Note 14) and creditors (Note 17).

The Group is exposed to equity securities price risk arising from equity investments classified as investments held for trading and available-for-sale investments. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity analysis for price risk
If prices for HSFO and Dated Brent increase/decrease by 5% (2012: 5%) with all other variables held constant, the Group's hedging reserve in equity would have been higher/lower by $21,560,000 (2012: $21,457,000) and $534,000 (2012: $Nil) respectively as a result of fair value changes on cash flow hedges.

If prices for quoted investments increase/decrease by 5% (2012: 5%) with all other variables held constant, the Group's profit before tax would have been higher/lower by $4,081,000 (2012: $3,236,000) as a result of higher/lower fair value gains on investments held for trading, and the Group's fair value reserve in other comprehensive income would have been higher/lower by $20,632,000 (2012: $17,545,000) as a result of higher/lower fair value gains on available-for-sale investments.

Credit Risk
Credit risk refers to the risk that debtors will default on their obligation to repay the amount owing to the Group. A substantial portion of the Group's revenue is on credit terms or stage of completion. These credit terms are normally contractual. The Group adopts stringent procedures on extending credit terms to customers and on the monitoring of credit risk. The credit policy spells out clearly the guidelines on extending credit terms to customers, including monitoring the process and using related industry's practices as reference. This includes assessment and valuation of customers' credit reliability and periodic review of their financial status to determine the credit limits to be granted. Customers are also assessed based on their historical payment records. Where necessary, customers may also be requested to provide security or advance payment before services are rendered. The Group's policy does not permit non-secured credit risk to be significantly centralised in one customer or a group of customers.

The maximum exposure to credit risk is the carrying amount of financial assets which are mainly debtors, amounts due from associated companies and bank balances, deposits and cash.

(i) Financial assets that are neither past due nor impaired
Debtors and amounts due from associated companies that are neither past due nor impaired are substantially companies with good collection track record with the Group. Bank deposits, forward foreign exchange contracts, interest rate caps and interest rate swaps are mainly transacted with banks of high credit ratings assigned by international credit-rating agencies.

32. Financial risk management (continued)

(ii) Financial assets that are past due but not impaired/partially impaired

The age analysis of trade debtors past due but not impaired/partially impaired is as follows:

	GROUP	
	2013 $'000	2012 $'000
Past due 0 to 3 months but not impaired	**258,699**	96,601
Past due 3 to 6 months but not impaired	**11,819**	40,348
Past due over 6 months and partially impaired	**107,576**	51,777
	378,094	188,726

Trade debtors that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments.

Information relating to the provision for doubtful debts is given in Note 14.

Liquidity Risk

Prudent liquidity risk management requires the Group to maintain sufficient cash and marketable securities, internally generated cash flows, and the availability of funding resources through an adequate amount of committed credit facilities. Group Treasury also maintains a mix of short-term money market borrowings and medium/long term loans to fund working capital requirements and capital expenditures/investments. Due to the dynamic nature of business, the Group maintains flexibility in funding by ensuring that ample working capital lines are available at any one time.

Information relating to the maturity profile of loans is given in Note 19.

The following table details the liquidity analysis for derivative financial instruments and borrowings of the Group and the Company based on contractual undiscounted cash inflows/(outflows).

	Within one year $'000	Within one to two years $'000	Within two to five years $'000	After five years $'000
Group				
2013				
Gross-settled forward foreign exchange contracts				
- Receipts	**4,696,325**	**3,086,863**	**1,293,663**	**-**
- Payments	**(4,752,995)**	**(3,112,213)**	**(1,308,256)**	**-**
Net-settled HSFO forward contracts				
- Receipts	**9,393**	**1,558**	**91**	**-**
- Payments	**(866)**	**(277)**	**(257)**	**(38)**
Net-settled Dated Brent forward contracts				
- Receipts	**268**	**-**	**-**	**-**
- Payments	**(44)**	**-**	**-**	**-**
Borrowings	**(677,879)**	**(1,881,053)**	**(2,639,036)**	**(3,055,002)**
2012				
Gross-settled forward foreign exchange contracts				
- Receipts	7,337,433	1,284,681	655,137	18
- Payments	(7,245,594)	(1,271,747)	(643,828)	(18)
Net-settled HSFO forward contracts				
- Receipts	8,351	1,310	-	-
- Payments	(16,120)	(1,601)	(46)	-
Borrowings	(1,171,775)	(781,862)	(3,633,627)	(2,849,793)

	Within one year $'000	Within one to two years $'000	Within two to five years $'000	After five years $'000
Company				
2013				
Gross-settled forward foreign exchange contracts				
- Receipts	**4,487,427**	**3,068,707**	**1,290,404**	**-**
- Payments	**(4,540,047)**	**(3,093,639)**	**(1,305,007)**	**-**
Borrowings	**(212,343)**	**(51,480)**	**(154,440)**	**(1,946,368)**
2012				
Gross-settled forward foreign exchange contracts				
- Receipts	7,154,891	1,279,670	655,137	18
- Payments	(7,066,514)	(1,266,747)	(643,828)	(18)
Borrowings	(51,480)	(51,480)	(154,440)	(1,999,733)

Capital Risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The Group's current strategy remains unchanged from the previous financial year. The Group and the Company are in compliance with externally imposed capital requirements for the financial year ended 31 December 2013.

Management monitors capital based on the Group net cash/(gearing). The Group net cash/(gearing) is calculated as net cash/(borrowings) divided by total capital. Net cash/(borrowings) are calculated as bank balances, deposits & cash (Note 16) less total term loans (Note 19) plus bank overdrafts (Note 20). Total capital refers to capital employed under equity.

	GROUP	
	2013 $'000	2012 $'000
Net debt	**1,535,343**	3,152,723
Total capital	**13,688,863**	13,578,126
Net gearing ratio	**0.11x**	0.23x

Fair Value of Financial Instruments and Investment Properties

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). Fair value is determined by reference to the net tangible assets of the investments.

32. Financial risk management (continued)

The following table presents the assets and liabilities measured at fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2013				
Financial assets				
Derivative financial instruments	**-**	**50,050**	**-**	**50,050**
Investments				
- Available-for-sale investments	**64,204**	**-**	**129,433**	**193,637**
Short term investments				
- Available-for-sale investments	**320,002**	**42,275**	**-**	**362,277**
- Investments held for trading	**81,624**	**-**	**-**	**81,624**
	465,830	**92,325**	**129,433**	**687,588**
Financial liabilities				
Derivative financial instruments	**-**	**121,191**	**-**	**121,191**
Non-financial assets				
Investment Properties				
- Commercial, completed	**-**	**-**	**1,205,222**	**1,205,222**
- Commercial, under construction	**-**	**-**	**845,726**	**845,726**
- Residential, completed	**-**	**136,910**	**-**	**136,910**
	-	**136,910**	**2,050,948**	**2,187,858**
2012				
Financial assets				
Derivative financial instruments	-	174,227	-	174,227
Investments				
- Available-for-sale investments	1,442	-	153,555	154,997
Short term investments				
- Available-for-sale investments	301,189	50,067	-	351,256
- Investments held for trading	64,714	-	-	64,714
	367,345	224,294	153,555	745,194
Financial liabilities				
Derivative financial instruments	-	110,092	-	110,092
Non-financial assets				
Investment Properties				
- Commercial, completed	-	-	4,661,019	4,661,019
- Commercial, under construction	-	-	758,831	758,831
- Residential, completed	-	3,210	-	3,210
	-	3,210	5,419,850	5,423,060

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company				
2013				
Financial assets				
Derivative financial instruments	**-**	**32,229**	**-**	**32,229**
Financial liabilities				
Derivative financial instruments	**-**	**104,067**	**-**	**104,067**
2012				
Financial assets				
Derivative financial instruments	-	156,513	-	156,513
Financial liabilities				
Derivative financial instruments	-	37,134	-	37,134

There have been no transfer between Level 1, Level 2 and Level 3 for the Group and Company during 2013 and 2012.

The following table presents the reconciliation of financial instruments measured at fair value based on significant unobservable inputs (Level 3).

	2013 $'000
Group	
At 1 January	**153,555**
Purchases	**498**
Sales	**(18,394)**
Fair value loss recognised in other comprehensive income	**(6,438)**
Exchange differences	**212**
At 31 December	**129,433**

The following table presents the reconciliation of investment properties measured at fair value based on significant unobservable inputs (Level 3).

	2013 $'000
Group	
At 1 January	**5,419,850**
Development expenditure	**247,769**
Fair value gain	**160,689**
Subsidiary disposed	**(3,757,083)**
Reclassification – stocks and work-in-progress	**(9,200)**
Exchange differences	**(11,077)**
At 31 December	**2,050,948**

The fair value of financial instruments categorised under Level 1 of the fair value hierarchy is based on published market bid prices at the balance sheet date.

The fair value of financial instruments categorised under Level 2 of the fair value hierarchy are fair valued under valuation techniques with market observable inputs. These include forward pricing and swap models utilising present value calculations using inputs such as observable foreign exchange rates (forward and spot rates), interest rate curves and forward rate curves and discount rates that reflects the credit risks of various counterparties.

The fair value of residential investment property categorised under Level 2 is based on comparable market transactions that consider sales of similar properties that have been transacted in the open market. The most significant input is selling price per square feet.

32. Financial risk management (continued)

The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments and investment properties categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 31 December 2013 $'000	Valuation Techniques	Unobservable Inputs	Range of Unobservable Inputs
Available-for-sale investments	129,433	Net asset value and/or discounted cash flow	Net asset value*	Not applicable
Investment Properties				
- Commercial, completed	1,205,222	Direct comparison method, income capitalisation method and/or discounted cash flow method	Discount rate	4.25% to 14.04%
			Transacted price of comparable property (psf)	$1,850 to $1,950
			Occupancy rate	70% to 100%
			Capitalisation rate	4.00% to 13.50%
			Monthly effective rental (psm)	$20 to $70
- Commercial, under construction	845,726	Direct comparison method and/or residual method	Price of comparable land plots (psm)	$4,240 to $4,570
			Gross development value ($'million)	$570 to $850

* Fair value of unquoted equity instruments is determined by reference to the underlying assets value of the investee companies, which comprise mainly investment properties stated at fair value.

The financial instruments and investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in significant change to the fair value of the respective asset/liability.

The Group's finance team assessed the fair value of available-for-sale investments on a quarterly basis.

Valuation process of investment properties is described in Note 6.

33. Segment analysis

The Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(i) Offshore & Marine
Principal activities include offshore rig design, construction, repair and upgrading, ship conversions and repair, and specialised shipbuilding. The Division has operations in Brazil, China, Singapore, United States and other countries.

(ii) Infrastructure
Principal activities include environmental engineering, power generation, logistics and data centres. The Division has operations in China, Qatar, Singapore, United Kingdom and other countries.

(iii) Property
Principal activities include property development and investment, and property fund management. The Division has operations in Australia, China, India, Indonesia, Singapore, Vietnam and other countries.

(iv) Investments
The Investments division consists mainly of the Group's investments in k1 Ventures Ltd, M1 Limited and equities.

Management monitors the results of each of the above operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss. Information regarding the Group's reportable segments is presented in the following table:

	Offshore & Marine $'000	Infrastructure $'000	Property $'000	Investments $'000	Elimination $'000	Total $'000
Revenue						
External sales	7,126,354	3,459,332	1,767,532	27,201	-	12,380,419
Inter-segment sales	3,588	57,041	5,130	72,115	(137,874)	-
Total	7,129,942	3,516,373	1,772,662	99,316	(137,874)	12,380,419
Segment Results						
Operating profit	1,059,031	69,243	981,332	17,501	7,262	2,134,369
Investment income	2,340	-	11,568	125	-	14,033
Interest income	76,371	1,379	55,413	124,374	(113,348)	144,189
Interest expenses	(11,545)	(28,168)	(71,361)	(119,730)	106,086	(124,718)
Share of results of associated companies	75,508	30,810	462,248	57,301	-	625,867
Profit before tax	1,201,705	73,264	1,439,200	79,571	-	2,793,740
Taxation	(221,269)	(43,414)	(112,979)	(19,704)	-	(397,366)
Profit for the year	980,436	29,850	1,326,221	59,867	-	2,396,374
Attributable to:						
Shareholders of Company	944,709	15,541	831,770	53,772	-	1,845,792
Non-controlling interests	35,727	14,309	494,451	6,095	-	550,582
	980,436	29,850	1,326,221	59,867	-	2,396,374
Other information						
Segment assets	8,070,683	3,833,349	15,674,360	7,918,618	(5,441,390)	30,055,620
Segment liabilities	5,681,553	3,011,183	7,515,138	5,600,273	(5,441,390)	16,366,757
Net assets	2,389,130	822,166	8,159,222	2,318,345	-	13,688,863
Associated companies	506,732	586,607	3,799,594	589,240	-	5,482,173
Additions to non-current assets	384,981	333,751	490,827	200,061	-	1,409,620
Depreciation and amortisation	136,741	80,476	24,583	492	-	242,292

Geographical information

	Singapore $'000	Far East & other ASEAN countries $'000	Americas $'000	Other countries $'000	Elimination $'000	Total $'000
External sales	9,288,023	1,162,208	1,340,961	589,227	-	12,380,419
Non-current assets	7,959,719	2,900,428	504,663	189,740	-	11,554,550

Other than Singapore, no single country accounted for 10% or more of the Group's revenue for the financial year ended 31 December 2013.

Information about a major customer

No single external customer accounted for 10% or more of the Group's revenue for the financial year ended 31 December 2013.

Note: Pricing of inter-segment goods and services is at fair market value.

33. Segment analysis (continued)

	Offshore & Marine $'000	Infrastructure $'000	Property $'000	Investments $'000	Elimination $'000	Total $'000
2012						
Revenue						
External sales	7,962,865	2,832,290	3,018,026	151,660	-	13,964,841
Inter-segment sales	442	149,000	2,305	72,678	(224,425)	-
Total	7,963,307	2,981,290	3,020,331	224,338	(224,425)	13,964,841
Segment Results						
Operating profit	1,088,647	46,203	1,352,846	123,769	9,710	2,621,175
Investment income	2,340	-	4,259	102	-	6,701
Interest income	81,687	2,007	73,367	135,993	(132,278)	160,776
Interest expenses	(9,973)	(16,502)	(118,968)	(112,058)	122,568	(134,933)
Share of results of associated companies	29,989	26,889	497,606	48,064	-	602,548
Profit before tax	1,192,690	58,597	1,809,110	195,870	-	3,256,267
Taxation	(228,166)	(29,907)	(246,521)	3,975	-	(500,619)
Profit for the year	964,524	28,690	1,562,589	199,845	-	2,755,648
Attributable to:						
Shareholders of Company	948,689	16,127	1,078,673	193,810	-	2,237,299
Non-controlling interests	15,835	12,563	483,916	6,035	-	518,349
	964,524	28,690	1,562,589	199,845	-	2,755,648
Other information						
Segment assets	7,661,325	3,474,294	18,027,856	5,240,189	(5,197,089)	29,206,575
Segment liabilities	5,225,085	2,625,484	9,144,811	3,830,158	(5,197,089)	15,628,449
Net assets	2,436,240	848,810	8,883,045	1,410,031	-	13,578,126
Investment in associated companies	410,671	547,605	3,918,658	389,668	-	5,266,602
Additions to non-current assets	365,575	500,784	201,009	140,977	-	1,208,345
Depreciation and amortisation	134,351	54,706	21,061	394	-	210,512

Geographical information

	Singapore $'000	Far East & other ASEAN countries $'000	Americas $'000	Other countries $'000	Elimination $'000	Total $'000
External sales	11,101,775	1,111,666	1,115,485	635,915	-	13,964,841
Non-current assets	10,785,313	2,361,299	383,344	606,747	-	14,136,703

Other than Singapore, no single country accounted for 10% or more of the Group's revenue for the financial year ended 31 December 2012.

Information about a major customer
No single external customer accounted for 10% or more of the Group's revenue for the financial year ended 31 December 2012.

Note: Pricing of inter-segment goods and services is at fair market value.

34. New accounting standards and interpretations

At the date of authorisation of the financial statements, the following FRS, INT FRS and amendments to FRS that are relevant to the Group and the Company have been issued but are not yet effective:

Revised FRS 27	Separate Financial Statements
Revised FRS 28	Investments in Associates and Joint Ventures
FRS 110	Consolidated Financial Statements
FRS 111	Joint Arrangements
FRS 112	Disclosure of Interests in Other Entities
Amendments to FRS 32	Offsetting of Financial Assets and Financial Liabilities

The Directors anticipate that the adoption of the above FRS, INT FRS and amendments to FRS in future periods is not expected to have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

(a) FRS 110 Consolidated Financial Statements and FRS 27 Separate Financial Statements

FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 27 remains as a standard applicable only to separate financial statements.

FRS 110 will take effect from financial years beginning on or after 1 January 2014, with full retrospective application, subject to transitional provisions.

When the Group adopts FRS 110, entities it currently consolidates may not qualify for consolidation, and entities it currently does not consolidate may qualify for consolidation. The Group does not expect any significant impact on the consolidated financial statements of the Group except for certain reclassifications (if any) in the consolidated balance sheet in the period of initial adoption.

(b) FRS 111 Joint Arrangements and FRS 28 Investments in Associates and Joint Ventures

FRS 111 classifies joint arrangements either as joint operations or joint ventures based on the parties' rights and obligations under the arrangement. The existence of a separate legal vehicle is no longer the key factor. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets.

The joint venturer should use the equity method under the revised FRS 28 Investments in Associates and Joint Ventures to account for a joint venture. The option to use proportionate consolidation method has been removed. For joint operations, the Group directly recognises its rights to the assets, liabilities, revenues and expenses of the investee in accordance with applicable FRSs.

FRS 111 will take effect from financial years beginning on or after 1 January 2014, with full retrospective application, subject to transitional provisions.

The Group does not expect any significant impact on the consolidated financial statements of the Group in the period of initial adoption.

(c) FRS 112 Disclosure of Interests in Other Entities

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

FRS 112 will take effect from financial years beginning on or after 1 January 2014 and the Group is currently determining the impact of the extent of additional disclosures required. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented.

35. Significant subsidiaries and associated companies

Information relating to significant subsidiaries consolidated in these financial statements and significant associated companies whose results are equity accounted for is given in the following pages.

Significant Subsidiaries and Associated Companies

	Gross Interest 2013 %	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Cost of Investment 2013 $'000	Cost of Investment 2012 $'000	Country of Incorporation /Operation	Principal Activities
OFFSHORE & MARINE							
Offshore							
Subsidiaries							
Keppel Offshore and Marine Ltd	100	100	100	801,720	801,720	Singapore	Investment holding
Keppel FELS Limited	100	100	100	#	#	Singapore	Construction, fabrication and repair of offshore production facilities and drilling rigs, power barges, specialised vessels and other offshore production facilities
Angra Propriedades & Administracao Ltd(1a)	100	100	100	#	#	Brazil	Holding of long-term investments and property management
AzerFELS Pte Ltd	68	60	60	#	#	Singapore	Holding of long-term investments
Benniway Pte Ltd	88	88	88	#	#	Singapore	Holding of long-term investments
Caspian Shipyard Company Ltd(1a)	75	45	45	#	#	Azerbaijan	Construction and repair of offshore drilling rigs
Deepwater Technology Group Pte Ltd	100	100	100	#	#	Singapore	Research and experimental development on deepwater engineering
Estaleiro BrasFELS Ltda(1a)	100	100	100	#	#	Brazil	Engineering, construction and fabrication of platforms for the oil and gas sector, shipyard works and other general business activities
FELS Offshore Pte Ltd	100	100	100	#	#	Singapore	Holding of long-term investments
Fernvale Pte Ltd	100	100	100	#	#	Singapore	Holding of long-term investments
Fornost Ltd(1a)	100	100	100	#	#	HK	Holding of long-term investments and provision of procurement services
FSTP Brasil Ltda(1a)	75	75	75	#	#	Brazil	Procurement of equipment and materials for the construction of offshore production facilities
FSTP Pte Ltd	75	75	75	#	#	Singapore	Project management, engineering and procurement
Guanabara Navegacao Ltda(1a)	100	100	100	#	#	Brazil	Ship owning
Hygrove Investments Ltd(4)	100	100	100	#	#	BVI/HK	Holding of long-term investments
Keppel AmFELS, LLC(3)	100	100	100	#	#	USA	Construction and repair of offshore drilling rigs and offshore production facilities
Keppel FELS Baltech Ltd(3)	100	100	100	#	#	Bulgaria	Marine and offshore engineering services
Keppel FELS Brasil SA(1a)	100	100	100	#	#	Brazil	Engineering, construction and fabrication of platforms for the oil and gas industry
Keppel Offshore & Marine Engineering Services Mumbai Pte Ltd(3) (formerly known as Keppel FELS Offshore & Engineering Services Mumbai Pte Ltd)	100	100	100	#	#	India	Marine and offshore engineering services
Keppel Offshore & Marine Technology Centre Pte Ltd	100	100	100	#	#	Singapore	Research & development on marine and offshore engineering

	Gross Interest 2013 %	Effective Equity Interest 2013 %	2012 %	Cost of Investment 2013 $'000	2012 $'000	Country of Incorporation /Operation	Principal Activities
Keppel Offshore & Marine USA Inc(3)	100	100	100	#	#	USA	Offshore and marine-related services
Keppel Sea Scan Pte Ltd	100	100	100	#	#	Singapore	Trading and installation of hardware, industrial, marine and building related products, leasing and provision of services
Keppel Singmarine Brasil Ltda(1a)	100	100	100	#	#	Brazil	Shipbuilding
Keppel Verolme BV(1a)	100	100	100	#	#	Netherlands	Construction and repair of offshore drilling rigs and shiprepairs
KV Enterprises BV(1a)	100	100	100	#	#	Netherlands	Holding of long-term investments
KVE Adminstradora de Bens Imoveis Ltda(1a)	100	100	100	#	#	Brazil	Holding of long-term investments and property management
Lindel Pte Ltd	100	100	100	#	#	Singapore	Project management, engineering and procurement
Marine & Offshore Protection & Preservation BV(1a)	100	100	100	#	#	Netherlands	Chamber blasting services and painting and coating works
Navegantes Administracoes de Bens Moveis e Imoveis Ltda(1a)	100	100	100	#	#	Brazil	Shipbuilding
Offshore Technology Development Pte Ltd	100	100	100	#	#	Singapore	Production of jacking systems
Prismatic Services Ltd(4)	100	100	100	#	#	BVI/Brazil	Project procurement
Regency Steel Japan Ltd(1a)	51	51	51	#	#	Japan	Sourcing, fabricating and supply of specialised steel components
Topaz Atlantic Unlimited(4)	100	100	100	#	#	BVI	Holding of long-term investments
Wideluck Enterprises Ltd(4)	100	100	100	#	#	BVI	Holding of long-term investments
Willalpha Ltd(4)	100	100	100	#	#	BVI/Vietnam	Holding of long-term investments
Associated Companies							
Asian Lift Pte Ltd	50	50	50	#	#	Singapore	Provision of heavy-lift equipment and related services
FloaTEC Singapore Pte Ltd	50	50	50	#	#	Singapore	Manufacturing and repair of oil rigs
Floatel International Pte Ltd(3)	50	50	47	#	#	Bermuda	Operating accommodation and construction support vessels (floatels) for the offshore oil and gas industry
Keppel Kazakhstan LLP(3)	50	50	50	#	#	Kazakhstan	Construction and repair of offshore drilling units and structures and specialised vessels
Marine Housing Services Pte Ltd	50	50	50	#	#	Singapore	Provision of housing services for marine workers
OWEC Tower AS(3)	50	50	50	#	#	Norway	Offshore wind turbine jacket foundation design and engineering
Seafox 5 Ltd(1a)	49	49	49	#	#	Isle of Man	Owning and leasing of multi-purpose self-elevating platforms

Significant Subsidiaries and Associated Companies

	Gross Interest 2013 %	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Cost of Investment 2013 $'000	Cost of Investment 2012 $'000	Country of Incorporation /Operation	Principal Activities
Marine							
Subsidiaries							
Keppel Shipyard Limited	100	100	100	#	#	Singapore	Shiprepairing, shipbuilding and conversions
Keppel Philippines Marine Inc(1a)	98	98	98	#	#	Philippines	Shipbuilding and repairing
Alpine Engineering Services Pte Ltd	100	100	100	#	#	Singapore	Marine contracting
Blastech Abrasives Pte Ltd	100	100	100	#	#	Singapore	Painting, blasting, shot blasting, process and sale of slag
Keppel Nantong Heavy Industry Co Ltd(3)	100	100	100	#	#	China	Engineering and construction of specialised vessels
Keppel Nantong Shipyard Company Ltd(3)	100	100	100	#	#	China	Engineering and construction of specialised vessels
Keppel Singmarine Pte Ltd	100	100	100	#	#	Singapore	Shipbuilding and repairing
Keppel Smit Towage Pte Ltd	51	51	51	#	#	Singapore	Provision of towage services
Keppel Subic Shipyard Inc(1a)	87+	86+	86+	3,020	3,020	Philippines	Shipbuilding and repairing
KS Investments Pte Ltd	100	100	100	#	#	Singapore	Holding of long-term investments
KSI Production Pte Ltd(4)	100	100	100	#	#	BVI/Norway	Holding of long-term investments
Maju Maritime Pte Ltd	51	51	51	#	#	Singapore	Provision of towage services
Marine Technology Development Pte Ltd	100	100	100	#	#	Singapore	Provision of technical consultancy for ship design and engineering works
Associated Companies							
Arab Heavy Industries Public Joint Stock Company(3)	33	33	33	#	#	UAE	Shipbuilding and repairing
Dyna-Mac Holdings Ltd(3)	24	24	24	#	#	Singapore	Investment holding
Kejora Resources Sdn Bhd(3)	49	25	25	#	#	Malaysia	Provision of towage services
Nakilat-Keppel Offshore & Marine Ltd(3)	20	20	20	#	#	Qatar	Shiprepairing
PV Keez Pte Ltd	20	20	20	#	#	Singapore	Chartering of ships, barges and boats with crew
INFRASTRUCTURE							
Subsidiaries							
Keppel Infrastructure Holdings Pte Ltd (n)	100	100	-	445,892	-	Singapore	Investment holding
X-to-Energy							
Subsidiaries							
Keppel DHCS Pte Ltd	100	100	100	#	#	Singapore	Development of district heating and cooling system for the purpose of air cooling and other utility services
Associated Companies							
K-Green Trust	49	49	49	#	#	Singapore	Infrastructure business trust

	Gross Interest 2013 %	Effective Equity Interest 2013 %	2012 %	Cost of Investment 2013 $'000	2012 $'000	Country of Incorporation /Operation	Principal Activities
Waste-to-Energy							
Subsidiaries							
Keppel Integrated Engineering Ltd	100	100	100	-	779,721	Singapore	Investment holding
Keppel Seghers Holdings Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Keppel Seghers Belgium NV(1a)	100	100	100	#	#	Belgium	Provider of services and solutions to the environmental industry related to solid waste, waste-water and sludge management
Keppel Seghers UK Ltd(1a)	100	100	100	#	#	United Kingdom	Design, supply and installation of flue gas treatment equipment
Associated Companies							
Tianjin Eco-City Energy Investment & Construction Co Ltd(3)	20	20	20	#	#	China	Investment and implementation of energy and utilities related infrastructure
Tianjin Eco-City Environmental Protection Co Ltd(3)	20	20	20	#	#	China	Investment, construction and operation of infrastructure for environmental protection
Gas-to-Power							
Subsidiaries							
Keppel Energy Pte Ltd	100	100	100	-	330,914	Singapore	Investment holding
Keppel Electric Pte Ltd	100	100	100	#	#	Singapore	Electricity, energy and power supply and general wholesale trade
Keppel Gas Pte Ltd	100	100	100	#	#	Singapore	Purchase and sale of gaseous fuels
Keppel Merlimau Cogen Pte Ltd	100	100	100	#	#	Singapore	Commercial power generation
Infrastructure Services							
Subsidiaries							
Keppel Seghers Engineering Singapore Pte Ltd	100	100	100	#	#	Singapore	Provision of environmental engineering services specialising in WTE plants and biosolids and sludge treatment
Keppel FMO Pte Ltd	100	100	100	#	#	Singapore	Construction, project and facilities management and operational maintenance of industrial and commercial complexes
Associated Companies							
GE Keppel Energy Services Pte Ltd(2)	50	50	50	#	#	Singapore	Precision engineering, repairing, services and agencies

Significant Subsidiaries and Associated Companies

	Gross Interest 2013 %	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Cost of Investment 2013 $'000	Cost of Investment 2012 $'000	Country of Incorporation /Operation	Principal Activities
Others							
Subsidiaries							
FELS Cranes Pte Ltd	100	100	100	#	#	Singapore	Fabrication of heavy cranes and provision of marine-related equipment
Keppel Prince Engineering Pty Ltd(2a)	100	100	100	#	#	Australia	Metal fabrication
Keppel Seghers Hong Kong Ltd(1a)	100	100	100	#	#	HK	Engineering contracting and investment holding
Logistics & Data Centres							
Subsidiaries							
Keppel Telecommunications & Transportation Ltd(2)	80	80	80	397,647	397,647	Singapore	Investment, management and holding company
Jilin Sino-Singapore Food Zone International Logistics Co Ltd(3)	70	56	56	#	#	China	Integrated logistics services, storage and distribution
Keppel Communications Pte Ltd(2)	100	80	80	#	#	Singapore	Trading and provision of communications systems and accessories
Keppel Data Centres Holding Pte Ltd(2)	100+	73+	73+	#	#	Singapore	Data centre facilities and co-location services
Keppel Data Centres Pte Ltd(2)	100	80	80	#	#	Singapore	Investment holding
Keppel Datahub Pte Ltd(2)	100+	73+	73+	#	#	Singapore	Data centre facilities and co-location services
Keppel Digihub Ltd(2)	100+	73+	73+	#	#	Singapore	Data centre facilities and co-location services
Keppel Logistics (Foshan) Ltd(3)	70	56	56	#	#	China	Shipping operations, warehousing and distribution
Keppel Logistics Pte Ltd(2)	100	80	80	#	#	Singapore	Integrated logistics services and supply chain solutions
Keppel Telecoms Pte Ltd(2)	100	80	80	#	#	Singapore	Telecommunications services and investment holding
Transware Distribution Services Pte Ltd(2)	-	-	80	-	#	Singapore	Disposed
Associated Companies							
Advanced Research Group Co Ltd(2a)	45	36	36	#	#	Thailand	IT publication and business information
Asia Airfreight Terminal Company Ltd(3)	-	-	8	-	#	HK	Disposed
Citadel 100 Datacenters Ltd(3)	50	40	40	#	#	Ireland	Data centre facilities and co-location services
Computer Generated Solutions Inc(3)	21	17	17	#	#	USA	IT consulting and outsourcing provider
Radiance Communications Pte Ltd(2)	50	40	40	#	#	Singapore	Distribution and maintenance of communications equipment and systems
Securus Data Property Fund Pte Ltd(3)	35	28	24	#	#	Singapore	Investment holding

	Gross Interest 2013 %	Effective Equity Interest 2013 %	2012 %	Cost of Investment 2013 $'000	2012 $'000	Country of Incorporation /Operation	Principal Activities
Securus Guernsey 2 Ltd(3)	51	41	41	#	#	Guernsey/ Australia	Data centre facilities and co-location services
SVOA Public Company Ltd(2a)	32	26	26	#	#	Thailand	Distribution of IT products and telecommunications services
PROPERTY							
Subsidiaries							
Keppel Land Ltd(2)	55	55	55	1,685,699	1,685,682	Singapore	Holding, management and investment company
Keppel Land China Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Keppel Bay Pte Ltd	100+	86+	86+	626	626	Singapore	Property development
Keppel Philippines Properties Inc(2a)	80+	57+	57+	493	493	Philippines	Investment holding
Aether Ltd(3)	51	28	28	#	#	HK	Investment holding
Aintree Assets Ltd(4)	100	55	55	#	#	BVI/Asia	Investment holding
Alpha Investment Partners Ltd(2)	100	55	55	#	#	Singapore	Fund management
Bayfront Development Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Beijing Aether Property Development Ltd(3)	51	28	28	#	#	China	Property investment
Beijing Kingsley Property Development Co Ltd(3)	100	55	55	#	#	China	Property development
Belwynn-Hung Phu Joint Venture LLC(2a)	60	33	33	#	#	Vietnam	Property development
Bintan Bay Resort Pte Ltd(2)	90	49	49	#	#	Singapore	Investment holding
Broad Elite Investments Ltd(4)	100	55	55	#	#	BVI/China	Investment holding
Castlehigh Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Changzhou Fushi Housing Development Pte Ltd(3)	100	55	55	#	#	China	Property development
Chengdu Hillstreet Development Co Ltd(3)	100	55	55	#	#	China	Property development
Chengdu Hilltop Development Co Ltd(3)	100	55	55	#	#	China	Property development
Chengdu Hillwest Development Co Ltd(3)	100	55	55	#	#	China	Property development
Chengdu Shengshi Jingwei Real Estate Investment Co Ltd(3)	100	55	55	#	#	China	Property development
DL Properties Ltd(2)	65	35	36	#	#	Singapore	Property investment
Double Peak Holdings Ltd(4)	100	55	55	#	#	BVI/Singapore	Investment holding
Estella JV Co Ltd(2a)	55	30	30	#	#	Vietnam	Property development
Evergro Properties Ltd(2)	100	55	55	#	#	Singapore	Property investment and development
Greenfield Development Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Hillwest Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
International Centre Co Ltd(1a)	79	59	59	#	#	Vietnam	Property investment

Significant Subsidiaries and Associated Companies

	Gross Interest 2013 %	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Cost of Investment 2013 $'000	Cost of Investment 2012 $'000	Country of Incorporation /Operation	Principal Activities
Jiangyin Evergro Properties Co Ltd(3)	99	54	54	#	#	China	Property development
KeplandeHub Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Keppel Al Numu Development Ltd(2a)	51	28	28	#	#	Singapore/ Saudi Arabia	Property development
Keppel Bay Property Development (Shenyang) Co Ltd(3)	100	55	55	#	#	China	Property development
Keppel China Marina Holdings Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Keppel China Township Development Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Keppel Heights (Wuxi) Property Development Co Ltd(n)(3)	100	55	-	#	-	China	Property development
Keppel Hong Da (Tianjin Eco-City) Property Development Co Ltd(3)	100	75	75	#	#	China	Property development
Keppel Lakefront (Nantong) Property Development Co Ltd(3)	100	55	55	#	#	China	Property development
Keppel Lakefront (Wuxi) Property Development Co Ltd(3)	100	55	55	#	#	China	Property development
Keppel Land (Mayfair) Pte Ltd(2)	100	55	55	#	#	Singapore	Property development
Keppel Land (Saigon Centre) Ltd(3)	100	55	55	#	#	HK	Investment holding
Keppel Land (Tower D) Pte Ltd(2)	100	55	55	#	#	Singapore	Property development and investment
Keppel Land Financial Services Pte Ltd(2)	100	55	55	#	#	Singapore	Financial services
Keppel Land International Ltd(2)	100	55	55	#	#	Singapore	Property services
Keppel Land Properties Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Keppel Land Realty Pte Ltd(2)	100	55	55	#	#	Singapore	Property development and investment
Keppel Land Watco IV Co Ltd(2a)	68	37	37	#	#	Vietnam	Property investment and development
Keppel Land Watco V Co Ltd(2a)	68	37	37	#	#	Vietnam	Property investment and development
Keppel Puravankara Development Pvt Ltd(2a)	51	28	28	#	#	India	Property development
Keppel REIT Investment Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Keppel REIT Management Ltd(2)	100	55	55	#	#	Singapore	Property fund management
Keppel REIT Property Management Pte Ltd(2)	100	55	55	#	#	Singapore	Property management services
Keppel Thai Properties Public Co Ltd(2a)	45	25	25	#	#	Thailand	Property development and investment

	Gross Interest 2013 %	Effective Equity Interest 2013 %	2012 %	Cost of Investment 2013 $'000	2012 $'000	Country of Incorporation /Operation	Principal Activities
Keppel Tianjin Eco-City Holdings Pte Ltd(2)	100+	75+	75+	#	#	Singapore	Investment holding
Keppel Tianjin Eco-City Investments Pte Ltd(2)	100+	75+	75+	126,137	64,725	Singapore	Investment holding
Keppel Township Development (Shenyang) Co Ltd(3)	100	55	55	#	#	China	Property development
Kingsdale Development Pte Ltd(2)	86	47	47	#	#	Singapore	Investment holding
Kingsley Investment Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Le Vision Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Mansfield Developments Pte Ltd(2)	100	55	55	#	#	Singapore	Property development
Merryfield Investment Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Ocean & Capital Properties Pte Ltd(2)	100	55	55	#	#	Singapore	Property and investment holding
Oceansky Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
OIL (Asia) Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Parksville Development Pte Ltd(2)	100	55	27	#	#	Singapore	Property investment
Pembury Properties Ltd(4)	100	55	55	#	#	BVI/ Singapore	Investment holding
PT Kepland Investama(2a)	100	55	55	#	#	Indonesia	Property investment and development
PT Mitra Sindo Makmur(1a)	-	-	28	-	#	Indonesia	Disposed
PT Mitra Sindo Sukses(1a)	-	-	28	-	#	Indonesia	Disposed
PT Ria Bintan(1a)	100	25	25	#	#	Indonesia	Golf course ownership and operation
PT Sentral Supel Perkasa(2a)	80	44	44	#	#	Indonesia	Property investment and development
PT Sentral Tanjungan Perkasa(2a)	80	44	44	#	#	Indonesia	Property development
PT Straits CM Village(1a)	100	21	21	#	#	Indonesia	Hotel ownership and operations
Quang Ba Royal Park JV Co(2a)	70	38	38	#	#	Vietnam	Property investment
Riviera Cove JV LLC(2a)	60	33	32	#	#	Vietnam	Property development
Riviera Point LLC(2a)	75	41	41	#	#	Vietnam	Property development
Saigon Centre Holdings Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Saigon Sports City Ltd(2a)	100	49	49	#	#	Vietnam	Property development
Shanghai Floraville Land Co Ltd(3)	99	54	54	#	#	China	Property development
Shanghai Hongda Property Development Co Ltd(3)	100	55	55	#	#	China	Property development
Shanghai Ji Xiang Land Co Ltd(3)	100	55	55	#	#	China	Property development
Shanghai Jinju Real Estate Investment Co Ltd(n)(3)	100	55	-	#	-	China	Property development
Shanghai Maowei Investment Consulting Co Ltd(n)(3)	100	55	-	#	-	China	Investment holding

Significant Subsidiaries and Associated Companies

	Gross Interest 2013 %	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Cost of Investment 2013 $'000	Cost of Investment 2012 $'000	Country of Incorporation /Operation	Principal Activities
Shanghai Merryfield Land Co Ltd(3)	99	54	54	#	#	China	Property development
Shanghai Minghong Property Co Ltd(3)	99	54	54	#	#	China	Property development
Shanghai Pasir Panjang Land Co Ltd(3)	99	54	54	#	#	China	Property development
Sherwood Development Pte Ltd(2)	70	38	55	#	#	Singapore	Property development
Spring City Golf & Lake Resort Co Ltd(3)	80	38	38	#	#	China	Golf club operations and development and property development
Spring City Resort Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Straits Greenfield Ltd(3)	100	55	55	#	#	Myanmar	Hotel ownership and operations
Straits Properties Ltd(2)	100	55	55	#	#	Singapore	Property development and investment
Straits Property Investments Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding
Success View Enterprises Ltd(4)	100	75	75	#	#	BVI/China	Investment holding
Sunsea Yacht Club (Zhongshan) Co Ltd(3)	100	44	44	#	#	China	Development of marina lifestyle cum residential properties
Sunseacan Investment (HK) Co Ltd(3)	80	44	44	#	#	HK	Investment holding
Third Dragon Development Pte Ltd(2)	100	55	55	#	#	Singapore	Investment holding and marketing agent
Tianjin Fushi Property Development Co Ltd(3)	100	55	55	#	#	China	Property development
Tianjin Merryfield Property Development Co Ltd(3)	100	55	55	#	#	China	Property development
Triumph Jubilee Ltd(4)	100	55	55	#	#	BVI/China	Investment holding
Wiseland Investment Myanmar Ltd(3)	100	55	55	#	#	Myanmar	Hotel ownership and operations
Atlantic Marina Services (Asia-Pacific) Pte Ltd	100+	91+	91+	1,460	1,460	Singapore	Investment holding
Esqin Pte Ltd	100	100	100	11,001	11,001	Singapore	Investment holding
FELS Property Holdings Pte Ltd	100	100	100	78,214	78,214	Singapore	Investment holding
FELS SES International Pte Ltd	98+	90+	90+	48	48	Singapore	Investment holding
Harbourfront One Pte Ltd	70	65	65	#	#	Singapore	Property development
Keppel Group Eco-City Investments Pte Ltd	100+	84+	84+	126,744	126,744	Singapore	Investment holding
Keppel Houston Group LLC(4)	100	86	86	#	#	USA	Property investment
Keppel Kunming Resort Ltd(3)	100+	91+	91+	4	4	HK	Property investment
Keppel Point Pte Ltd	100+	86+	86+	122,785	122,785	Singapore	Property development and investment
Keppel Real Estate Investment Pte Ltd	100	100	100	764,400	764,400	Singapore	Investment holding
Petro Tower Ltd(3)	76	69	69	#	#	Vietnam	Property investment
Singapore Tianjin Eco-City Investment Holdings Pte Ltd	90	76	76	#	#	Singapore	Investment holding
Substantial Enterprises Ltd(4)	100	84	84	#	#	BVI/China	Investment holding

	Gross Interest 2013 %	Effective Equity Interest 2013 %	2012 %	Cost of Investment 2013 $'000	2012 $'000	Country of Incorporation /Operation	Principal Activities
Associated Companies							
Asia Real Estate Fund Management Ltd(2)	50	27	27	#	#	Singapore	Fund management
Central Boulevard Development Pte Ltd(2)	33	18	18	#	#	Singapore	Property development
CityOne Development (Wuxi) Co Ltd(3)	50	27	27	#	#	China	Property development
CityOne Township Development Pte Ltd(2)	50	27	27	#	#	Singapore	Investment holding
Dong Nai Waterfront City LLC(2a)	50	27	27	#	#	Vietnam	Property development
EM Services Pte Ltd(1a)	25	14	14	#	#	Singapore	Property management
Equity Rainbow II Pte Ltd(n)(2a)	43	23	-	#	-	China	Property investment
Harbourfront Three Pte Ltd(3)	39	34	34	#	#	Singapore	Property development
Harbourfront Two Pte Ltd(3)	39	34	34	#	#	Singapore	Property development
Keppel Land Watco I Co Ltd(2a)	68	37	37	#	#	Vietnam	Property investment and development
Keppel Land Watco II Co Ltd(2a)	68	37	37	#	#	Vietnam	Property investment and development
Keppel Land Watco III Co Ltd(2a)	68	37	37	#	#	Vietnam	Property investment and development
Keppel Magus Development Pvt Ltd(3)	38	21	21	#	#	India	Property development
Keppel REIT(2)	46	25	54	#	#	Singapore	Real estate investment trust
PT Pantai Indah Tateli(2a)	-	-	27	-	#	Indonesia	Disposed
PT Pulomas Gemala Misori(3)	25	14	14	#	#	Indonesia	Property development
PT Purimas Straits Resorts(3)	25	14	14	#	#	Indonesia	Development of holiday resort
Raffles Quay Asset Management Pte Ltd(2)	33	18	18	#	#	Singapore	Property management
Renown Property Holdings (M) Sdn Bhd(2a)	40	22	22	#	#	Malaysia	Property investment
SAFE Enterprises Pte Ltd(3)	25	14	14	#	#	Singapore	Investment holding
Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd(1a)	50	38	38	#	#	China	Property development
Suzhou Property Development Pte Ltd(3)	25	14	14	#	#	Singapore	Property development
Vietcombank Tower 198 Ltd(3)	30	27	27	#	#	Vietnam	Property investment
INVESTMENTS							
Subsidiaries							
Keppel Philippines Holdings Inc(2a)	55+	55+	55+	-	-	Philippines	Investment holding
Alpha Real Estate Securities Fund	96	96	99	#	#	Singapore	Investment holding
Devan International Ltd(4)	100	100	100	#	#	BVI	Investment holding
Kep Holdings Ltd(4)	100+	100+	100+	10,480	10,480	BVI/HK	Investment company
Kephinance Investment (Mauritius) Pte Ltd(3)	100	100	100	#	#	Mauritius	Investment holding

Significant Subsidiaries and Associated Companies

	Gross Interest 2013 %	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Cost of Investment 2013 $'000	Cost of Investment 2012 $'000	Country of Incorporation /Operation	Principal Activities
Kephinance Investment Pte Ltd	100	100	100	90,000	90,000	Singapore	Investment holding
Kepital Management Ltd(3)	100	100	100	#	#	HK	Investment company
Keppel Funds Investment Pte Ltd(n)	100	100	-	#	-	Singapore	Investment company
Keppel GMTN Pte Ltd	100	100	100	10	10	Singapore	Investment holding
Keppel Investment Ltd	100	100	100	#	#	Singapore	Investment company
Keppel Oil & Gas Pte Ltd	100	100	100	#	#	Singapore	Investment holding
Kepventure Pte Ltd	100	100	100	484,355	284,924	Singapore	Investment holding
KI Investments (HK) Ltd(3)	100	100	100	#	#	HK	Investment company
Primero Investments Pte Ltd	100	100	100	#	#	Singapore	Investment company
Travelmore Pte Ltd	100	100	100	265	265	Singapore	Travel agency
Associated Companies							
k1 Ventures Ltd	36	36	36	#	#	Singapore	Investment holding
KrisEnergy Ltd(2)	31	31	20	#	#	BVI	Exploration for, and the development and production of oil and gas
M1 Ltd(2)	19	15	16	#	#	Singapore	Telecommunications services
Total							
Subsidiaries				**5,151,000**	**5,554,883**		

Notes:

(i) All the companies are audited by Deloitte & Touche LLP, Singapore except for the following:
 (1a) Audited by overseas practice of Deloitte Touche Tohmatsu Limited;
 (2) Audited by Ernst & Young LLP, Singapore;
 (2a) Audited by overseas practice of Ernst & Young LLP;
 (3) Audited by other firms of auditors; and
 (4) Not required to be audited by law in the country of incorporation and companies disposed, liquidated and struck off.
 In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries and significant associated companies would not compromise the standard and effectiveness of the audit of the Company.

(ii) + The shareholdings of these companies are held jointly with other subsidiaries.

(iii) # The shareholdings of these companies are held by subsidiaries of Keppel Corporation Limited.

(iv) (n) These companies were incorporated during the financial year.

(v) The subsidiaries' place of business is the same as its country of incorporation, unless otherwise specified.

(vi) Abbreviations:
 British Virgin Islands (BVI) United Arab Emirates (UAE)
 Hong Kong (HK) United States of America (USA)

(vii) The Company has 244 significant subsidiaries and associated companies as at 31 December 2013. Subsidiaries and associated companies are considered as significant (a) in accordance to Rule 718 of The Singapore Exchange Securities Trading Limited – Listing Rules, or (b) by reference to the significance of their economic activities.

Interested Person Transactions

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 19 April 2013. During the financial year, the following interested person transactions were entered into by the Group:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than $100,000)	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Transaction for the Sale of Goods and Services				
CapitaLand Group	**-**	-	**5,400**	4,700
CapitaMalls Asia Group	**-**	-	**-**	337,000
Integradora de Servicios Petroleros Oro Negro	**-**	-	**3,969**	460,454
Mapletree Investments Group	**-**	-	**3,600**	-
MediaCorp Group	**-**	-	**-**	71,500
Neptune Orient Lines Group	**-**	-	**175**	29,676
PSA International Group	**-**	-	**17,140**	384
SATS Group	**-**	-	**7,712**	30,180
Sembcorp Industries Group	**-**	-	**527**	-
SembCorp Marine Group	**-**	-	**1,625**	6,967
Singapore Airlines Group	**-**	-	**-**	7,763
Singapore Power Group	**-**	-	**1,646**	20,938
Singapore Technologies Engineering Group	**-**	-	**2,135**	959
Singapore Telecommunications Group	**-**	-	**70**	4,590
Temasek Holdings Group	**-**	-	**-**	4,218
Transaction for the Purchase of Goods and Services				
CapitaMalls Asia Group	**-**	-	**-**	344
Certis CISCO Security Group	**-**	-	**201**	561
Gas Supply Pte Ltd	**-**	-	**90,000**	100,000
Hazeltree Holdings Group	**-**	-	**-**	108
Mapletree Investments Group	**-**	-	**21,284**	694
MediaCorp Group	**-**	-	**-**	221
PSA International Group	**-**	-	**715**	1,146
SembCorp Marine Group	**-**	-	**315**	412
Singapore Power Group	**-**	-	**-**	240
Singapore Technologies Engineering Group	**-**	-	**7,000**	106
Total Interested Person Transactions	**-**	-	**163,514**	1,083,161

Save for the interested person transactions disclosed above, there were no other material contracts entered into by the Company and its subsidiaries involving the interests of its chief executive officer, directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Key Executives

In addition to the Chief Executive Officer (Mr Loh Chin Hua) and Senior Executive Director (Mr Teo Soon Hoe), the following are the key executive officers ("Key Executives") of the Company and its principal subsidiaries:

Choo Chiau Beng, 66
Bachelor of Science (First Class Honours), University of Newcastle upon Tyne (awarded the Colombo Plan Scholarship to study Naval Architecture); Master of Science in Naval Architecture, University of Newcastle upon Tyne; Attended the Programme for Management Development in Harvard Business School in 1982; Member of the Wharton Society of Fellows, University of Pennsylvania.

Mr Choo was Chief Executive Officer of Keppel Corporation Limited from 1 January 2009 to 1 January 2014. He was Executive Director of Keppel Corporation Limited since 1983 and Senior Executive Director since 2005. Upon his retirement on 1 January 2014, Mr Choo was appointed Senior Advisor to the Board of Keppel Corporation Limited.

Mr Choo sits on the Boards of Keppel Care Foundation Limited and KrisEnergy Ltd. He is a Board Member of Energy Studies Institute and National Research Foundation, a Board & Council Member of American Bureau of Shipping, the Chairman of Centre for Maritime Studies of the National University of Singapore (NUS) and the Council Member of Singapore of Asean Council on Petroleum (ASCOPE). He is also the Chairman of the Board of Governors of Raffles Institution, a member of the Singapore University of Technology and Design's Board of Trustees and a member of the Management Board of Institute for Engineering Leadership of NUS.

Mr Choo was conferred the Public Service Star Award (BBM) in August 2004, The Meritorious Service Medal in 2008 and NTUC Medal of Commendation (Gold) Award in May 2007. He is Singapore's Non-Resident Ambassador to Brazil.

Past principal directorships for the last 5 years
Keppel Corporation Limited, Keppel Land Limited, Keppel Offshore & Marine Ltd, Keppel Infrastructure Holdings Pte Ltd, k1 Ventures Limited, Keppel Land China Limited, Maritime and Port Authority of Singapore, Singapore Maritime Foundation Limited, Singapore Petroleum Company, Singapore Refining Company and SMRT Corporation Ltd.

Tong Chong Heong, 67
Graduate of Management Development Programme, Harvard Business School; Stanford-NUS Executive Programme; Diploma in Management Studies, The University of Chicago Graduate Business School

Mr Tong was Chief Executive Officer of Keppel Offshore & Marine Ltd from 1 January 2009 to 1 February 2014 and was responsible for the overall management and operations of Keppel Offshore & Marine Ltd. He was Executive Director of Keppel Corporation Limited since 2009 and Senior Executive Director from 2011 to 2014. Upon his retirement on 1 February 2014, he was appointed Senior Advisor to the Boards of Keppel Offshore & Marine Ltd and Keppel Infrastructure Holdings Pte Ltd.

Mr Tong was appointed Commander of the Volunteer Special Constabulary (VSC) from 1995 to 2001 and was honoured with Singapore Public Service Medal at the 1999 National Day Award. He was awarded the Medal of Commendation (Gold) Award at NTUC May Day 2010. He is a member of Board of Institute of Technical Education (ITE) Governors, NTUC-U Care Fund Board of Trustees, DNV Southeast Asia Offshore Committee and Singapore Maritime Institute Governing Council. He had served as Vice President/President of Association of Singapore Marine Industries (1993-1996) and is a member of Society of Naval Architects and Marine Engineers (USA), American Bureau of Shipping and Nippon Kaiji Kyokai (Class NK). He is a Fellow of The Royal Institute of Naval Architects (RINA) UK, Institute of Marine Engineering, Science & Technology and the Society of Project Managers.

Past principal directorships in the last five years
Keppel Corporation Limited, Keppel Offshore & Marine Ltd and Keppel Infrastructure Holdings Pte Ltd.

Chan Hon Chew, 48
Bachelor of Accountancy (Honours); Chartered Accountant, Institute of Chartered Accountants in Australia; Chartered Financial Analyst, CFA Institute; Chartered Accountant (Singapore), Institute of Singapore Chartered Accountants.

Mr Chan is the Chief Financial Officer of Keppel Corporation Limited, appointed with effect from 1 February 2014.

Prior to joining Keppel Corporation, Mr Chan was with Singapore Airlines Limited (SIA) and served as Senior Vice President (SVP) of Finance since June 2006. As SVP Finance, Mr Chan was responsible for a diverse range of functions including investor relations, corporate accounting and reporting, treasury, risk management and insurance. He was also involved in SIA's strategic planning process and had represented SIA as Director on the Boards of various companies including Tiger Airways and Virgin Atlantic Airways Limited.

Prior to SIA, Mr Chan was Assistant General Manager for Finance and Corporate Services at Wing Tai Holdings Limited where he oversaw all financial matters as well as tax, legal and corporate secretarial functions from 1998 to 2003.

Mr Chan was appointed by Singapore's Ministry of Finance to the Board of the Singapore Accountancy Commission in April 2013. He was also elected to the Council of the Institute of Singapore Chartered Accountants in July 2013.

Mr Chan is a Director of Keppel Infrastructure Holdings Pte Ltd and Keppel Offshore & Marine Ltd.

Past principal directorships in the last five years
Tiger Airways Holdings Limited, Singapore Aviation & General Insurance Company (Pte) Ltd and RCMS Properties Private Limited.

Chow Yew Yuen, 59
Bachelor of Science in Mechanical Engineering with First Class Honours, University of Newcastle-Upon-Tyne; Attended Advanced Management Programme at Harvard Business School.

Mr Chow was appointed the Chief Executive Officer of Keppel Offshore & Marine Ltd on 1 February 2014. Prior to this, he was the Chief Operating Officer of Keppel Offshore & Marine Ltd since 1 March 2012 and before that, Managing Director of Keppel Offshore & Marine Ltd from 1 June 2011. Mr Chow is also responsible for the Americas (the United States, Mexico and Brazil) through his various appointments as Chairman of Keppel AmFELS, LLC, Deputy Chairman of Keppel FELS Brasil SA and Chairman of Keppel Offshore & Marine USA, Inc. He has been with the company for over 30 years and was based in the United States for 17 years. His experience is quite diverse, covering areas of technical, production, operations, commercial and management across different geographical and cultural borders.

Mr Chow also serves as the Chairman of Keppel Singmarine Pte. Ltd. and Director on the Boards of Keppel Offshore & Marine Technology Centre Pte Ltd, Deepwater Marine Technology LLC, FloaTEC LLC, Keppel FELS Limited, Keppel Shipyard Limited, Keppel Marine Agencies LLC, Bennett & Associates LLC, and Keppel Infrastructure Holdings Pte Ltd.

Mr Chow is also a Vice President of Association of Singapore Marine Industries, a Council Member of Singapore Accreditation Council, a member of The American Bureau of Shipping, a member of ABS Offshore Technical Committee and a member of ABS Southeast Asia Regional Committee.

Past principal directorships in the last five years
Keppel Energy Pte Ltd.

Key Executives

Michael Chia Hock Chye, 61
Colombo Plan Scholar, Bachelor of Science (First Class Honours) in Naval Architecture and Marine Engineering, University of Newcastle-Upon-Tyne; Masters in Business Administration, National University of Singapore; Graduate Certificate in International Arbitration, National University of Singapore.

Mr Chia is the Managing Director (Marine and Technology) of Keppel Offshore & Marine Ltd and Managing Director of Keppel Offshore & Marine Technology Centre. He was Director (Group Strategy & Development) of Keppel Corporation Limited from January 2011 to January 2013. He was the Executive Director of Keppel FELS Limited from 2002 to 2009, with overall responsibility of the business management of the company. Mr Chia was also Deputy Chairman of Keppel Integrated Engineering Ltd from 2009 to 2011 and Chief Executive Officer from 2009 to 2010. He has more than 28 years of management experience in corporate development, engineering, operations and commercial.

He was elected as the President of the Association of Singapore Marines Industries from 2005 to 2009, a non-profit association formed in 1968 to promote the interests of the marine industry in Singapore and was a member of the Ngee Ann Polytechnic Council from 2006 to 2012. Mr Chia is the Chairman of the Singapore Maritime Foundation since 2010. Prior to the Chairmanship, he was a Board Member from 2005 to 2010. He is a member of the American Bureau of Shipping, USA; a member of Society of Petroleum Engineers; Fellow member with the Society of Naval Architects and Marine Engineers Singapore; and Fellow member with the Singapore Institute of Arbitrators.

His principal directorships include Keppel Telecommunications & Transportation Ltd, Keppel Shipyard Limited, FloaTEC LLC, Floatel International Ltd, Keppel Offshore & Marine Technology Centre Pte Ltd, DPS Bristol (Holdings) Ltd, Keppel Singmarine Pte Ltd, Keppel Smit Towage Pte Ltd, Maju Maritime Pte Ltd, Nakilat Keppel Offshore & Marine Ltd and Dyna-Mac Holdings Ltd.

Past principal directorships in the last five years
Floatec Singapore Pte Ltd, Keppel Infrastructure Fund Management Pte Ltd, Keppel AmFELS Inc (USA), Keppel FELS Limited and Keppel Integrated Engineering Ltd.

Wong Kok Seng, 63
Bachelor of Science (Honours) in Naval Architecture, University of Newcastle Upon Tyne; Attended the Program for Management Development in Harvard Business School in 1984.

Mr Wong is the Managing Director (Offshore) of Keppel Offshore & Marine and also Managing Director of Keppel FELS Limited. Prior to this appointment, he was the Executive Director of Keppel FELS. His career in Keppel FELS began in 1977 and he has held appointments as Structural Engineer, Project Engineer, Project Manager, Quality Assurance Manager, Planning and Estimating Manager, Assistant General Manager (Commercial) and Executive Director (Operations).

Mr Wong also held appointments in Keppel Group as Project Director, Keppel Land, Executive Director, Keppel Singmarine and Senior General Manager (Group Procurement), Keppel Offshore & Marine.

In addition to his current appointment, he serves as the Chairman of the Centre of Innovation, Marine and Offshore Technology (COI-MOT) Advisory Committee and as a member of the Workplace Safety & Health (WSH) Council Marine Industries Committee.

Mr Wong is a Chartered Engineer, a Fellow of the Institute of Marine Engineering, Science and Technology and is a member of the American Bureau of Shipping and the Royal Institution of Naval Architects.

Mr Wong is a Director of Keppel FELS Limited; Keppel Shipyard Limited, Keppel Nantong Shipyard Company Limited, Keppel Nantong Heavy Industry Co. Ltd., FloaTEC LLC, Floatec Singapore Pte Ltd, Offshore Technology Development Pte Ltd, Bintan Offshore Fabricators Pte Ltd (Chairman), Seafox 5 Limited, Keppel Offshore & Marine Technology Centre Pte Ltd, Bennett & Associates, LLC (Chairman), Deepwater Technology Group Pte Ltd, Regency Steel Japan Ltd and Caspian Shipyard Company Ltd.

Past principal directorships in the last five years
Nil

Chor How Jat, 52
Bachelor of Science (Honours) in Naval architecture, University of Newcastle Upon Tyne; Master of Science in Marine Technology, University of Newcastle Upon Tyne; General Management Program, Harvard Business School.

Mr Chor is the Managing Director of Keppel Shipyard Limited since October 2012. Mr Chor began his professional career with Keppel Offshore and Marine Ltd in 1988 and held appointments as Shiprepair Manager, Deputy Shipyard Manager, Shipyard Manager of Keppel Shipyard Limited, General Manager (Operations) of Keppel FELS Limited in 2004 and Executive Director of Keppel Shipyard in January 2011.

Mr Chor serves as Director on the Boards of Keppel Shipyard Limited, Asian Lift Pte Ltd, Keppel Philippines Marine Inc, Keppel Batangas Shipyard, Keppel Subic Shipyard Inc., Keppel Offshore & Marine Technology Centre Pte Ltd, Keppel Singmarine Pte Ltd and KSI Production Ltd. Mr Chor is also Director and Chairman of Blastech Abrasives Pte Ltd, Nusa Maritime Pte Ltd, Alpine Engineering Services Pte Ltd and Blue Ocean Solutions Pte Ltd.

In addition, Mr Chor is a council member of Association of Singapore Marine Industries (ASMI) and a member of Workplace Safety and Health Council (Marine Industries), American Bureau of Shipping, ClassNK Singapore Technical Committee of Nippon Kaiji Kyokai, AIDS Business Alliance - the Health Promotion Board and Lloyd's Register South East Asia Technical Committee (SEATC).

Past principal directorships in the last five years
Japan Regency Steel Limited, Atwin Offshore and Marine Pte Ltd and Keppel FELS Offshore and Engineering Services Mumbai Pvt Ltd.

Hoe Eng Hock, 62
Bachelor of Science in Marine Engineering (First Class Honours), University of Newcastle-on-Tyne (Colombo Plan Scholarship); Program for Management Development, Graduate School of Business Management, Harvard University; Finance for Senior Executives, Asian Institute of Management, Manila, Philippines.

Mr Hoe started his professional career with Keppel Group upon his graduation. Having served various business units under Keppel Group both in Singapore and the Philippines, Mr Hoe is currently the Managing Director of Keppel Singmarine Pte Ltd, appointed with effect from 1 January 2013. Prior to this appointment, he was the Executive Director of Keppel Singmarine Pte Ltd since 2005. Mr Hoe is also the Executive Director of Keppel Singmarine Brasil Ltda and Chairman of Prime Steelkit Pte Ltd. He is also on the Boards of Keppel Nantong Shipyard Co Ltd, Keppel Smit Towage Pte Ltd, Maju Maritime Pte Ltd, Marine Technology Development Pte Ltd, Keppel Offshore & Marine Technology Centre Pte Ltd, Keppel Singmarine Philippines, Inc and Baku Shipyard LLC.

Mr Hoe is a fellow member of IMarest and the Institute of Chartered Engineers, UK. He is also a member of South East Asia Advisory/Technical Committee of Lloyd's Register and Bureau Veritas. Mr Hoe is the current President of Keppel Recreation Club.

Past principal directorships in the last five years
Nil

Foo Kok Seng, 51
Bachelor of Engineering (First Class Honours) in Mechanical Engineering from University of Strathclyde; Doctor of Philosophy in Mechanical Engineering from University of Strathclyde.

Dr Foo is the Executive Director (Shallow Water) for Keppel Offshore & Marine Technology Centre Pte Ltd and Executive Director of Offshore Technology Development Pte Ltd. Prior to this, he was the General Manager for Offshore Technology Development Pte Ltd since 2002.

Dr Foo sits on the Boards of DPS Bristol (Holdings), Keppel AmFELS LLC, Keppel Offshore & Marine Technology Centre Pte Ltd, Offshore Technology Development Pte Ltd, Regency Steel Japan Ltd, and Caspian Rigbuilders Pte Ltd. He is also a Member of Energy Ventures Advisory Board.

Past principal directorships in the last five years
Arab Heavy Industries, Keppel FELS Offshore and Engineering Services Mumbai Pvt Ltd and Blue Ocean Solutions Pte Ltd.

Aziz Amirali Merchant, 49
Bachelor of Engineering (First Class Honours) in Naval Architecture & Ocean Engineering from University of Glasgow; Master of Science in Naval Architecture from University College London (UCL), University of London; General Management Program, Harvard Business School.

Mr Merchant is the Executive Director (Deepwater), Keppel Offshore & Marine Technology Centre Pte Ltd; Executive Director, Deepwater Technology Group (DTG); and Executive Director (Engineering), Keppel FELS Limited.

Mr Merchant is a director of Keppel Singmarine Pte Ltd, Deepwater Technology Group Ltd, Keppel Offshore & Marine Technology Centre Pte Ltd, Floatec LLC, Keppel FELS Baltech Ltd, Keppel Offshore & Marine Engineering Services Mumbai Private Ltd and Fernvale Pte Ltd.

Mr Merchant is the Member of the Ngee Ann Polytechnic Marine & Offshore Technology Advisory Committee, American Bureau of Shipping South East Asia Technical Committee and Lloyds Technical Committee. He is a Fellow of the Society of Naval Architects and Marine Engineers Singapore, The Royal Institution of Naval Architects and Institute of Marine Engineering, Science & Technology.

Past principal directorships in the last five years
Nil

Wong Fook Seng, 61
MSC (Financial Management) from the University of London, UK; MBA (Nanyang Fellows/MIT) from Nanyang Technological University, Singapore.

Mr Wong started his career in the marine industry 45 years ago as an apprentice and has been with Keppel FELS Limited for the last 34 years. He is currently the Executive Director (Process Excellence & Planning) having just relinquished his last position as the Executive Director (Operations) of Keppel FELS. Prior to this appointment, Mr Wong was a General Manager heading various functions such as Production, Marketing, Projects, Planning & Control, Quality System and Process Excellence. In the course of his work, Mr Wong had led various initiatives that helped transform the processes and systems of Keppel FELS to meet the challenges of a sudden upsurge in market demand culminating in the delivery of 21 rigs in 2013 alone, a record for the company.

Mr Wong was involved in setting up and heading various subsidiaries of Keppel FELS, both locally and overseas. He had also served as a director on the boards of some of these subsidiaries and currently sits on the board of Keppel FELS Limited and Lindel Pte Ltd and serving as an alternate director to the Chairman of Green Scan Pte Ltd and Keppel Sea Scan Pte Ltd. His overseas assignments included countries such as Vietnam, Brazil and Kazakhstan.

Mr Wong was an Adjunct Associate Professor with National University of Singapore, School of Design and Environment and currently sits on their school advisory committee. Among his various public contributions, he was the sole Singapore judge on a panel of 3 judges for the Maxa Award in 2010, the pinnacle award for manufacturing excellence in Singapore.

Mr Wong had served as a Council Member for the Singapore Welding Society and had been a member of the Institute of Industrial Managers, Institute of Marine Engineers, Society of Naval Architecture and Marine Engineers and is a Certified System Engineer with the Institute of Engineers Singapore.

Past principal directorships in the last five years
Nil

Toh Ko Lin, 62
Bachelor of Science (Hons) in Naval Architecture, University of Newcastle-upon-Tyne (Colombo Plan Scholarship); Master of Business Administration, Richard Ivey School of Business, University of Western Ontario.

Mr Toh is the Executive Director of Keppel Singmarine Pte Ltd. He also serves as the Chairman and President of Keppel Philippines Marine, Inc. and the Chairman of Keppel Subic Shipyard, Inc. since October 2012. He is a board member of Keppel Singmarine Pte Ltd, Keppel Shipyard Limited (since 16 September 2013) and an alternate director of Keppel Smit Towage Pte Ltd and Maju Maritime Pte Ltd.

He began his career in ship repair and specialised shipbuilding in 1975 and undertook business development work and various assignments abroad within the Keppel Group. He is also a member of The American Bureau of Shipping.

Past principal directorships in the last five years
Nil

Ong Leng Yeow, 39
Bachelor and Master Degree in Electrical and Electronics Engineering from National University of Singapore.

Mr Ong is appointed General Manager of Engineering Department of Keppel FELS Limited since 2011 where he is responsible for the execution of engineering on projects and also on technical marketing of company's suite of products. He is currently the Acting Executive Director, Operations of Keppel FELS Limited.

Mr Ong's career began in Keppel FELS since 1999 as a Commissioning Superintendent (E&I) where he was involved in system startups in Keppel FELS and AMFELS. He moved on to join the Engineering Department and was involved in several technical contract negotiations with major customers, like BP, Shell, Ensco, Transocean, Gulf Drilling etc.

Mr Ong sits on the Boards of Keppel FELS Limited, Keppel Offshore & Marine Technology Centre Pte Ltd, Offshore Technology Development Pte Ltd, Keppel FEL Engineering Shenzhen Co Ltd, Keppel Nantong Shipyard Co Ltd and Keppel Nantong Heavy Industry Co Ltd.

Past principal directorships in the last five years
Nil

Ong Tiong Guan, 55
Bachelor of Engineering (First Class Honours), Monash University; Doctor of Philosophy (Ph.D.) under Monash Graduate Scholarship, Monash University, Australia.

Dr Ong was appointed Keppel Energy Pte Ltd's Executive Director from November 1999. He became Managing Director of Keppel Energy Pte Ltd with effect from 1 May 2003 and was appointed Deputy Chairman of Keppel Integrated Engineering Ltd on April 2013.

Upon reorganisation of Keppel Energy Pte Ltd and Keppel Integrated Engineering Ltd under a newly incorporated entity, Keppel Infrastructure Holdings Pte Ltd in May 2013, Dr Ong was appointed as Chief Executive Officer of Keppel Infrastructure and is responsible for Keppel Corporation's energy infrastructure business.

Dr Ong's career spans across the energy industry from engineering and contracting to investment and ownership of energy assets.

His directorships include Keppel Infrastructure Holdings Pte Ltd, Keppel Energy Pte Ltd, Keppel Electric Pte Ltd, Keppel Merlimau Cogen Pte Ltd, Keppel Gas Pte Ltd, Pipenet Pte Ltd, Keppel Integrated Engineering Ltd, Keppel DHCS Pte Ltd, Keppel Infrastructure Services Pte Ltd, Keppel Energy Ventures Pte Ltd, Keppel FELS Power Pte Ltd and GE Keppel Energy Pte Ltd.

Past principal directorships in the last five years
Corporacion Electrica Nicaraguense S.A. and Termoguayas Generation S.A.

Tay Lim Heng, 50
Bachelor (Honours) in Engineering Science and Economics, University of Oxford; Masters in Public Administration, Harvard University; Advanced Management Programme, Harvard Business School.

BG(Ret) Tay is Managing Director (Waste-to-Energy) and also concurrently Managing Director (Keppel Seghers) under Keppel Infrastructure Holdings Pte Ltd. He was the Chief Executive Officer of Keppel Integrated Engineering from January 2011 to April 2013, and Deputy Chief Executive Officer from June to December 2010. Prior to joining Keppel Group, BG(Ret) Tay served in the Singapore Administrative Service as Deputy Secretary (Development) in the Ministry of National Development (MND). Before that, he was the Chief Executive of the Maritime and Port Authority of Singapore (MPA), where he was also a Board Member of the Singapore Maritime Foundation, Centre of Maritime Studies (NUS), Tropical Marine Science Institute (NUS), a Member of Class NK Singapore Committee and a Vice President of the International Association of Ports and Harbours (IAPH).

BG(Ret) Tay held various key appointments in the Singapore Armed Forces (SAF), including Director of Joint Intelligence Directorate, 6th Division Commander and Assistant Chief of General Staff (Operations). He was awarded the Public Administration Medal (Gold) (Military).

His directorships include Keppel Seghers Engineering Singapore Pte Ltd, Keppel Seghers Belgium NV, GE Keppel Energy Services Pte Ltd, EM Services Pte Ltd, Singapore Tianjin Eco-City Investment Holdings Pte Ltd, Keppel Shipyard Limited and Keppel Singmarine Pte Ltd. He is the President of the Singapore Water Association.

Past principal directorships in the last five years
DSO National Laboratory, Singapore.

Key Executives

Nicholas Lai Garchun, 46
Master of Applied Science from Macquarie University, Sydney; Bachelor of Social Sciences (Second Upper Honours) from National University of Singapore.

Mr Lai joined Keppel Energy Pte Ltd (then known as Keppel Fels Energy Pte Ltd) in 2002 as Assistant General Manager, Development to bring in more business opportunities for the company. Subsequently, his portfolio evolved to focus on growing gas and power generation capabilities and divesting non-core assets, in his capacity as General Manager. Today, he is the Executive Director, Gas-to-Power of Keppel Infrastructure Holdings Pte Ltd and continues to drive value to the gas and power businesses.

Mr Lai worked in Singapore Trade Development Board (currently known as IE Singapore) and Ministry of Trade & Industry in his early career, with an overseas stint in Hong Kong. He held an international business development role in Singapore Power International and a finance director role in a subsidiary of SembCorp Industries prior to joining Keppel Energy.

He is a Director of Keppel Energy Pte Ltd, Keppel Merlimau Cogen Pte Ltd, Keppel Electric Pte Ltd, Keppel Gas Pte Ltd, Pipenet Pte Ltd and Keppel Energy Ventures Pte Ltd.

Past principal directorships in the last five years
Nil

Tan Boon Leng, 49
Master of Science in Management (Distinction) from Imperial College, London; Bachelor of Science with Second Upper Honours in Computer Science from University College London.

Mr Tan joined Keppel Energy Pte Ltd (then known as Keppel Fels Energy Pte Ltd) in 2000 as General Manager (Development), to spearhead the company's business development activities. He was responsible for the successful implementation of Keppel Merlimau Cogen (KMC) Phase 1 (500MW) project and the subsequent 800MW expansion. He was also responsible for the company's retail and trading operations in the Singapore electricity market before his new appointment under Keppel Infrastructure Holdings Pte Ltd.

Upon the reorganisation of Keppel Energy Pte Ltd and Keppel Integrated Engineering Ltd under a newly incorporated entity, Keppel Infrastructure Holdings Pte Ltd in May 2013, Mr Tan was appointed the Executive Director, X-to-Energy of Keppel Infrastructure Holdings Pte Ltd to manage and grow the energy and related infrastructure business (save for Gas-to-Power and Waste-to-Energy). Companies under X-to-Energy include Keppel DHCS (District Heating and Cooling Systems) and Keppel Infrastructure Fund Management Pte Ltd, which is the trustee-manager of K-Green Trust, a business trust with an investment focus on "green" infrastructure assets in Singapore, Asia, Europe and the Middle East.

Mr Tan sits on the Boards of Keppel Infrastructure Fund Management Pte Ltd, Keppel DHCS Pte Ltd, Keppel Seghers UK Ltd and Keppel Energy Ventures Pte Ltd.

Past principal directorships in the last five years
Keppel Gas Pte Ltd, Pipenet Pte Ltd and GE Keppel Energy Services Pte Ltd.

Alan Tay Teck Loon, 44
Bachelor of Business Administration (Honours), National University of Singapore.

Mr Tay is Director, Business Development of Keppel Infrastructure Holdings Pte Ltd, with overall responsibility for the business development of the company and its subsidiaries. Prior to joining Keppel Group, Mr Tay was Head of South East Asia for JPMorgan Asset Management, Global Real Assets – Asian Infrastructure, a private equity fund focused on infrastructure and related resources investments across Asia. He was also a member of the fund's Investment Committee.

Mr Tay's experience spans across mergers & acquisitions, greenfield development, joint venture, disposal, debt and equity fund raising transactions throughout Asia, covering power, natural gas, waste-to-energy, transportation, banking, property, water, shipyard and manufacturing sectors.

He is a Director of GE Keppel Energy Services Pte Ltd.

Past principal directorships in the last five years
J.P. Morgan Asset Management Real Assets (Singapore) Pte Ltd and Eco Management Korea Holdings Inc.

Cindy Lim Joo Ling, 36
Bachelor of Engineering (Mechanical & Production) with Second Upper Honours from the Nanyang Technological University; Executive MBA from the Singapore Management University; General Management Programme at Harvard Business School.

Ms Lim is currently the General Manager of Infrastructure Services at Keppel Infrastructure Holdings Pte Ltd which focuses on maximising the value of assets through value-added and reliable operation and maintenance services and excellent health, safety and environment performance. Ms Lim is also concurrently, General Manager of Business Process Management at Keppel Infrastructure and oversees innovation and process excellence, information technology and enterprise risk management.

Prior to her current appointment, she was the General Manager (Group Human Resources) of Keppel Corporation. Ms Lim started her career as a management system auditor and consultant before she joined Keppel FELS in 2001 as a Quality System Engineer. She had since held several leadership positions at Keppel FELS and Keppel Offshore & Marine Ltd in Quality System, Process Excellence and Talent Management.

Ms Lim sits on the Boards of Keppel Seghers Engineering Singapore Pte Ltd, Keppel FMO Pte Ltd, GE Keppel Energy Services Pte Ltd, Keppel Infrastructure Services Pte Ltd, Keppel Nantong Shipyard Co. Ltd and Travelmore Pte Ltd.

Past principal directorships in the last five years
Alpine Engineering Services Pte Ltd and Prime Steelkit Pte Ltd.

Pang Hee Hon, 53
Bachelor of Science and Bachelor of Commerce, University of Birmingham; Masters in Public Administration, Harvard University.

Mr Pang is the Chief Executive Officer of Keppel Telecommunications & Transportation Ltd, appointed with effect from 4 January 2010. Prior to that, Mr Pang was the Deputy President (Operations) of ST Electronics (Info-Software Systems) and oversaw business operations and international marketing. He was the Chairman of the eGov Chapter in the Singapore IT Federation, which provides feedback on eGov policies and promotes internationalisation of local ICT companies.

Mr Pang was also Head of Joint Logistics Department, MINDEF, where he directed the implementation of enterprise wide IT solutions for supply chain management, electronic procurement and finance. He also held other principal command and staff appointments within the Singapore Armed Forces, including Assistant Chief of the General Staff (Logistics) G-4 Army, Assistant Chief of the General Staff (Plans) G-5 Army, Commander, Division Artillery Headquarters and Deputy Assistant Chief of the General Staff (Ops Planning) G-3 Army.

Past principal directorships in the last five years
PM-B Pte Ltd, INFA Systems Limited and ST Electronics (e-Services) Pte Ltd.

Thomas Pang Thieng Hwi, 49
Bachelor of Arts (Honours) and Master of Arts, University of Cambridge; Investment Management Certificate from The CFA Society of the UK.

Mr Pang has been the Chief Executive Officer of Keppel Infrastructure Fund Management Pte Ltd (Trustee-Manager of K-Green Trust ("KGT")) since 29 June 2010. As the Chief Executive Officer of the Trustee-Manager, he is responsible for working with the Board to determine the strategy for KGT. He works with the other members of the Trustee-Manager's management team to execute the stated strategy of the Trustee-Manager.

Mr Pang serves as Director on the Boards of Keppel Seghers Tuas Waste-to-Energy Plant Pte Ltd, Senoko Waste-to-Energy Pte Ltd and Keppel Seghers Newater Development Co Pte Ltd (trustees of KGT's sub-trusts), as well as Caspian Rig Builders Pte Ltd.

Mr Pang joined Keppel Offshore & Marine Ltd in 2002 as a Senior Manager (Merger Integration Office) to assist in the merger integration of Keppel FELS Limited and Keppel Shipyard Limited. He was promoted to be the Assistant General Manager (Corporate Development) in 2003 and subsequently the General Manager (Corporate Development) in 2007 to focus on the investment, mergers and acquisitions and strategic planning of Keppel Offshore & Marine Ltd. Before joining Keppel Offshore & Marine Ltd, Mr Pang was the Vice President (Finance and Business Development) of Arrakiis Pte Ltd, where he was involved in fund raising and business development. Prior to that, he was an investment manager with Vertex Management (UK) from 1998 to 2001.

Mr Pang was also the Vice President (Central USA) of the Singapore Tourism Board from 1995 to 1998, as well as assistant head at the Economic Development Board of Singapore, responsible for local enterprise development from 1988 to 1995.

Past principal directorships in the last five years
Nil

Ang Wee Gee, 52
Bachelor of Science summa cum laude, University of Denver, USA; Master of Business Administration, Imperial College, University of London, UK.

Mr Ang joined the Keppel Land Group in 1991 and was appointed Chief Executive Officer of Keppel Land Limited on 1 January 2013.

Prior to his appointment as Chief Executive Officer of Keppel Land, Mr Ang held senior management positions in the Group. He was Executive Vice Chairman of Keppel Land China Limited, a wholly-owned subsidiary of Keppel Land which was formed in 2010 to own and operate Keppel Land's businesses in China and, prior to that, Executive Director and Chief Executive Officer, International of Keppel Land International Limited, responsible for the Group's overseas businesses. He was also Chairman of Keppel Philippines Properties, Inc. and Keppel Thai Properties Public Company Limited, which are listed on the Philippine Stock Exchange and The Stock Exchange of Thailand respectively. Mr Ang previously held positions in business and project development for Singapore and overseas markets, and corporate planning in the Group's hospitality arm. He was also the Group's country head for Vietnam as well as the head of Keppel Land Hospitality Management Pte Ltd, the Group's hotel and serviced apartment management company.

Prior to joining Keppel Land Group, Mr Ang acquired diverse experience in the hotel, real estate and management consulting industries in the USA, Hong Kong and Singapore.

Past principal directorships in the last five years
Various subsidiaries and associated companies of Keppel Land Limited.

Tan Swee Yiow, 53
Bachelor of Science (First Class Honours) in Estate Management, National University of Singapore; Master of Business Administration Degree in Accountancy, Nanyang Technological University.

Mr Tan joined Keppel Land Group in 1990 and is currently its President (Singapore) overseeing the Group's investment and development operation in Singapore. He is concurrently Head of its hospitality management arm, Keppel Land Hospitality Management Pte Ltd.

Mr Tan is a Director of a number of subsidiary and associated companies of the Group including Keppel Bay Pte Ltd, Keppel Land Hospitality Management Pte Ltd and Raffles Quay Asset Management Pte Ltd.

In addition, he is on the Board of the Singapore Green Building Council and a member of the World Green Building Council's Corporate Advisory Board. He also serves on the Management Council of Real Estate Developers' Association of Singapore and the Workplace Safety Health Council (Construction and Landscape Committee).

Past principal directorships in the last five years
Asia No. 1 Property Fund, Keppel Thai Properties Public Company Ltd, Keppel REIT Management Ltd, EM Services Pte Ltd and other subsidiaries and associated companies within the Keppel Land Group.

Ho Cheok Kong, 57
Bachelor of Engineering (Honours, 2nd Upper) from the University of Western Australia under the Colombo Plan Scholarship.

Mr Ho first joined Keppel Land Group in 1990. He is currently the President of Keppel Land China Limited, a wholly-owned subsidiary company of Keppel Land Limited which owns and independently operates Keppel Land Group's businesses in China.

Prior to re-joining the Keppel Land Group in 2007, Mr Ho had extensive experience in the investment and development of various commercial, industrial and residential developments in Singapore and other countries in Asia. He had extensive experience in China, starting with the investment and development of the Spring City Golf & Lake Resort in 1993. Based in Shanghai since 2007, Mr Ho currently oversees the business operations of all the projects in various cities in China.

Past principal directorships in the last five years
Nil

Ng Hsueh Ling, 47
Bachelor of Science in Real Estate, National University of Singapore.

Ms Ng has been the Chief Executive Officer and Executive Director of Keppel REIT Management Limited (the manager of Keppel REIT) since 17 August 2009. She has 24 years of experience in the real estate industry.

Her experience encompasses the strategic sourcing, investment, asset and portfolio management and development of assets in key Asian cities, as well as extensive fund management experience in the areas of real estate fund product creation, deal origination, distribution and structuring of real-estate-based financial products.

Prior to this appointment, Ms Ng has held key positions with two other real estate companies, CapitaLand Limited and Ascendas Pte Ltd.

Before her appointment as Chief Executive Officer and Executive Director in Keppel REIT Management Limited, she was CEO (Korea & Japan) at Ascendas Pte Ltd.

Ms Ng is a Licensed Appraiser for land and buildings and is a Fellow of the Singapore Institute of Surveyors and Valuers.

Ms Ng is a director of various subsidiaries and associated companies of Keppel REIT.

Past principal directorships in the last five years
The National Art Gallery, Singapore, Raffles Quay Asset Management Pte Ltd, Central Boulevard Development Pte Ltd and various subsidiaries and associated companies of Ascendas Pte Ltd and CapitaLand Limited.

Christina Tan Hua Mui, 48
Bachelor of Accountancy (Honours) degree from the National University of Singapore; Chartered Financial Analyst.

Ms Tan is the Managing Director of Alpha Investment Partners (AIP). She sits on the Investment Committee for all Funds and is also a Board Member of AIP. Ms Tan has more than 20 years of real estate and investment management experience. As a founding member, she has been actively involved in all phases of the firm's development since 2003. She is also instrumental in developing and implementing the portfolio strategy for all Alpha-managed funds. The firm is currently one of the largest pan-Asian managers with above S$10 billion in assets under management.

Ms Tan previously served as the Chief Financial Officer of GRA (Singapore) Private Limited, the Asian real estate fund management arm of the Prudential Insurance Company of America, managing more than US$1 billion in real estate funds. Before GRA (Singapore), Ms Tan was the Treasury Manager with Chartered Industries of Singapore, managing the group's cash positions and investments. Ms Tan started her career with Ernst & Young prior to joining the Government of Singapore Investment Corporation (GIC).

Past principal directorships in the last five years
Sun Vista Trading Limited, Finestar Investment Limited, Beautimint Development Limited, Fortune Door Holding Limited, Pacific Gain Worldwide Ltd, Baccarat International Limited, Grand Fortune House Limited, Bisdale Limited, Pogain Limited, Asia Real Estate Fund Management Limited, Hillsborough Limited and Growth Partners IV Holdings Ltd.

Major Properties

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Completed properties					
Keppel REIT	25%	Prudential Tower Cecil Street & Church Street, Singapore	30-storey office building	99 years leasehold	Commercial office building with rentable area of 20,554 sqm (92.8% of the strata area)
		Bugis Junction Towers Victoria Street, Singapore	15-storey office building	99 years leasehold	Commercial office building with rentable area of 22,761 sqm
		Ocean Financial Centre Collyer Quay, Singapore	Land area: 6,109 sqm 43-storey office building	999 years leasehold	Commercial office building with rentable area of 82,174 sqm (99.9% interest)
		Marina Bay Financial Centre (Phase 1)/Marina Bay Residences Marina Boulevard/ Central Boulevard, Singapore	Land area: 20,505 sqm	99 years leasehold	An integrated development comprising office, retail and 428 condominium units
		One Raffles Quay Singapore	Land area: 11,367 sqm Two office towers	99 years leasehold	Commercial office building with rentable area of 41,318 sqm (1/3 interest)
		275 George Street Brisbane, Australia	Land area: 7,074 sqm 30-storey Grade A commercial building	Freehold	Commercial office building with rentable area of 20,874 sqm (50% interest)
		77 King Street Sydney, Australia	Land area: 1,284 sqm Grade A commercial building with office and retail space	Freehold	Commercial office building with rentable area of 13,748 sqm
		8 Chifley square Sydney, Australia	Land area: 1,581 sqm 34-storey premium Grade commercial building	99 years leasehold	Commercial office buildings with rentable area of 9.682 sqm (50% interest)
		8 Exhibition Street Melbourne, Australia	Land area: 4,329 sqm 35-storey Grade A commercial building with office and retail space	Freehold	Commercial office buildings with rentable area of 22,446 sqm (50% interest)

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Central Boulevard Development Pte Ltd	18%	Marina Bay Financial Centre (Phase 2)/ Marina Boulevard/ Central Boulevard, Singapore	Land area: 9,710 sqm 46-storey office towers with retail podium	99 years leasehold	Commercial office building with rentable area of 123,671 sqm
		Marina Bay Suites/ Marina Boulevard/ Central Boulevard, Singapore	Land area: 5,300 sqm	99 years leasehold	A 221-unit luxury condominium development
Parksville Development Pte Ltd	55%	Nassim Woods, Tanglin Road, Singapore	Land area: 5,785 sqm	99 years leasehold	A 35-unit luxurious condominium development
Mansfield Development Pte Ltd	55%	Keppel Towers Hoe Chiang Rd, Singapore	Land area: 7,760 sqm 27-storey office building	Freehold	Commercial office building with rentable area of 32,580 sqm
		GE Tower Hoe Chiang Rd, Singapore	Land area: 1,367 sqm 13-storey office building	Freehold	Commercial office building with rentable area of 7,378 sqm
DL Properties Ltd	35%	Equity Plaza Cecil Street, Singapore	Land area: 2,177 sqm 28-storey office building	99 years leasehold	Commercial office building with rentable area of 23,468 sqm
HarbourFront One Pte Ltd	65%	Keppel Bay Tower HarbourFront Avenue, Singapore	Land area: 17,267 sqm 18-storey office building	99 years leasehold	Commercial office building with rentable area of 36,015 sqm
HarbourFront Two Pte Ltd	34%	HarbourFront Tower One and Two HarbourFront Place, Singapore	Land area: 10,923 sqm 18-storey and 16-storey office buildings	99 years leasehold	Commercial office buildings with rentable area of 48,618 sqm
Keppel Bay Pte Ltd	86%	Reflections at Keppel Bay Singapore	Land area: 83,538 sqm	99 years leasehold	A 1,129-unit waterfront condominium development
Spring City Golf & Lake Resort Co (owned by Kingsdale Development Pte Ltd)	38%	Spring City Golf & Lake Resort Kunming, China	Land area: 2,884,749 sqm Two 18-hole golf courses, a club house	70 years lease	Integrated resort comprising golf courses, resort homes and resort facilities
Equity Rainbow II Pte Ltd	20%	Life Hub @ Jinqiao Shanghai, China	Land area: 59,956 sqm	50 years lease	A retail and office development with rentable area of 79,214 sqm

Major Properties

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
PT Straits-CM Village	21%	Club Med Ria Bintan Bintan, Indonesia	Land area: 200,000 sqm	30 years lease with option for another 50 years	A 302-room beachfront hotel
PT Kepland Investama	55%	International Financial Centre (Tower 1) Jakarta, Indonesia	Land area: 10,428 sqm	20 years lease with option for another 20 years	A prime office development with rentable area of 27,933 sqm
Keppel Land Watco I Co Ltd	37%	Saigon Centre (Phase 1) Ho Chi Minh City, Vietnam	Land area: 2,730 sqm 25-storey office, retail cum serviced apartments development	50 years lease	Commercial building with rentable area of 10,443 sqm office, 3,663 sqm retail, 305 sqm post office and 89 units of serviced apartments
Properties under development					
Sherwood Development Pte Ltd	38%	The Glades Tanah Merah, Singapore	Land area: 31,882 sqm	99 years leasehold	A 726-unit condominium development *(2017)
Keppel Bay Pte Ltd	86%	Keppel Bay Plot 3 and 6, Singapore	Land area: 82,531 sqm	99 years leasehold	Waterfront condominium development *(2018)
Keppel Land (Mayfair) Pte Ltd	55%	The Lakefront Residences Lakeside Drive, Singapore	Land area: 16,117 sqm	99 years leasehold	A 629-unit condominium development *(2015)
Keppel Land Realty Pte Ltd	55%	The Luxurie Compassvale Road, Singapore	Land area: 17,700 sqm	99 years leasehold	A 622-unit condominium development *(2015)
Harvestland Development Pte Ltd	55%	Residential development, Tiong Bahru, Singapore	Land area: 10,991 sqm	99 years leasehold	A 500-unit condominium development
Beijing Aether Property Development Ltd	28%	Commercial Development Beijing, China	Land area: 26,081 sqm	40/50 years lease	An office and retail development in Chaoyang District *(2016)
Shanghai Ji Xiang Land Co Ltd	55%	Seasons Residence Shanghai, China	Land area: 71,621 sqm	70 years lease	A 1,102-unit residential development in Nanxiang Town, Jiading District *(2015)
Shanghai Pasir Panjang Land Co Ltd	54%	Eight Park Avenue Shanghai, China	Land area: 33,432 sqm	70 years lease	A 918-unit residential apartment development (Plot B) *(2015)

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Shanghai Hongda Property Development Co Ltd	55%	The Springdale Shanghai, China	Land area: 264,090 sqm	70 years lease (residential) 40 years lease (commercial)	A 2,667-unit residential development with integrated facilities *(2014)
Shanghai Jinju Real Estate Development Co Ltd	54%	Landed Development Shanghai, China	Land area: 175,000 sqm	70 years lease	A 200-unit landed development *(2015 Phase 1)
Spring City Golf & Lake Resort	38%	Spring City Golf & Lake Resort Kunming, China	Land area: 2,157,361 sqm	70 years lease	Integrated resort comprising golf courses, resort homes and resort facilities (Hillcrest Residence Phase 2B) *(2014)
Keppel Lakefront (Wuxi) Property Development Co Ltd	55%	Waterfront Residence Wuxi, China	Land area: 215,230 sqm	70 years lease (residential) 40 years lease (commercial)	A 2,500-unit prime residential development with commercial facilities in Binhu District *(2019)
CityOne Development (Wuxi) Co Ltd	27%	Central Park City Wuxi, China	Land area: 352,534 sqm	70 years lease (residential) 40 years lease (commercial)	A 4,984-unit residential township development with integrated facilities *(2015 Phase 3)
Keppel Township Development (Shenyang) Co Ltd	55%	The Seasons Shenyang, China	Land area: 348,312 sqm	50 years lease (residential) 40 years lease (commercial)	A 2,794-unit residential township with integrated facilities in Shenbei New District in Shenyang
Keppel Hongda (Tianjin Eco-City) Property Development Co Ltd	75%	Development in Sino-Singapore Tianjin Eco-City Tianjin, China	Land area: 365,722 sqm	70 years lease (residential) 40 years lease (commercial)	A mixed development, primarily residential (4,354-units) together with some commercial space *(2014 Phase 1 & 2014/2015 Phase 2)
Tianjin Fushi Property Development Co Ltd	55%	Serenity Villa Tianjin, China	Land area: 128,685 sqm	70 years lease	A 340-unit residential development in Tianjin Eco-City *(2014)
Chengdu Hillstreet Development Co Ltd	55%	Park Avenue Heights Chengdu, China	Land area: 50,782 sqm	70 years lease (residential) 40 years lease (commercial)	A 1,555-unit prime residential development in Jinjiang District *(2015)
Chengdu Hilltop Development Co Ltd	55%	Hill Crest Villa Chengdu, China	Land area: 249,330 sqm	70 years lease	A 274-unit villa development in Xinjin County *(2014 Phase 1)

Major Properties

Held By	Effective Group Interest	Location	Description and Approximate Land Area	Tenure	Usage
Chengdu Century Development Co Ltd	24%	The Botanica Chengdu, China	Land area: 419,775 sqm	70 years lease (residential) 40 years lease (commercial)	A 9,664-unit residential township development with integrated facilities *(2014 Phase 7)
Sunsea Yacht Club (Zhongshan) Co Ltd	44%	Zhongshan Marina Zhongshan, China	Land area: 891,752 sqm	70 years lease (residential) 40 years lease (commercial)	A 1,647-unit residential development with a mix of villas and apartments, and integrated marina lifestyle facilities *(2014 Phase 1)
Jiangyin Evergro Properties Co Ltd	54%	Stamford City Jiangyin, China	Land area: 82,987 sqm	70 years lease (residential) 40 years lease (commercial)	A 1,477-unit mixed development with residential, office and retail space *(2014 Phase 2 & 2017 Phase 3)
Keppel Lakefront (Nantong) Property Development Co Ltd	55%	Waterfront Residence Nantong, China	Land area: 172,215 sqm	70 years lease	A 1,199-unit residential development *(2014 Phase 1)
Estella JV Co Ltd	30%	The Estella Ho Chi Minh City, Vietnam	Land area: 47,906 sqm	50 years lease	A 1,393-unit high-rise residential development with supporting commercial space in An Phu Ward in prime District 2 *(2018 Phase 2)
Dong Nai Waterfront City LLC (owned by Portsville Pte Ltd)	27%	Dong Nai Waterfront City Dong Nai Province, Vietnam	Land area: 3,667,127 sqm	50 years lease	A 7,850-unit residential township space in Long Thanh District *(2018-2021 Phase 1)
Industrial properties					
Keppel FELS Limited	100%	Jurong, Pioneer, Crescent and Tuas South Yard, Singapore	Land area: 741,773 sqm buildings, workshops, building berths, drydocks and wharves	3 - 30 years leasehold	Oil rigs, offshore and marine construction, repair, fabrication, assembly and storage
Keppel Shipyard Limited	100%	Benoi and Pioneer Yard, Singapore	Land area: 799,111 sqm buildings, workshops, drydocks and wharves	30 years leasehold	Shiprepairing, shipbuilding and marine construction

* Expected year of completion

Group Five-Year Performance

	2009	2010	2011	2012	2013
Selected Profit & Loss Account Data ($ million)					
Revenue	11,990	9,140	10,082	13,965	**12,380**
Profit (before revaluation, major impairment and divestments)					
Operating	1,424	1,556	1,897	2,396	**1,774**
Before tax	1,748	1,889	2,177	2,695	**2,163**
Net profit	1,190	1,307	1,491	1,914	**1,412**
Attributable profit after revaluation, major impairment and divestments	1,540	1,591	1,946	2,237	**1,846**
Selected Balance Sheet Data ($ million)					
Fixed assets & properties	5,208	5,451	7,326	8,760	**5,986**
Investments	3,347	4,618	5,350	5,909	**6,192**
Stocks, debtors, cash & long term assets	9,326	11,467	12,325	14,428	**17,792**
Intangibles	90	108	99	110	**86**
Total assets	17,971	21,644	25,100	29,207	**30,056**
Less:					
Creditors	7,251	7,689	8,195	8,059	**8,825**
Borrowings	1,759	4,068	4,877	7,208	**7,100**
Other liabilities	224	232	267	362	**442**
Net assets	8,737	9,655	11,761	13,578	**13,689**
Share capital & reserves	5,944	6,619	7,699	9,246	**9,701**
Non-controlling interests	2,793	3,036	4,062	4,332	**3,988**
Capital employed	8,737	9,655	11,761	13,578	**13,689**
Per Share					
Earnings (cents) (Note 1):					
Before tax & revaluation, major impairment and divestments	85.1	93.4	105.4	130.4	**96.3**
After tax & before revaluation, major impairment and divestments	67.9	74.3	83.8	106.8	**78.2**
After tax & revaluation, major impairment and divestments	87.9	90.4	109.4	124.8	**102.3**
Total distribution (cents)	55.5	38.2	43.0	73.6	**49.5**
Net assets ($)	3.39	3.75	4.32	5.14	**5.37**
Net tangible assets ($)	3.34	3.69	4.26	5.08	**5.32**
Financial Ratios					
Return on shareholders' funds (%) (Note 2):					
Profit before tax and revaluation, major impairment and divestments	28.2	26.2	26.2	27.6	**18.4**
Net profit before revaluation, major impairment and divestments	22.5	20.8	20.8	22.6	**14.9**
Dividend cover (times)	1.2	1.9	1.9	1.4	**1.6**
Net cash / (gearing) (times)	0.13	0.02	(0.16)	(0.23)	**(0.11)**
Employees					
Number	31,775	31,360	33,747	38,390	**39,364**
Wages & salaries ($ million)	1,372	1,367	1,433	1,579	**1,668**

Notes:
1. Earnings per share are calculated based on the Group profit by reference to the weighted average number of shares in issue during the year.
2. In calculating return on shareholders' funds, average shareholders' funds has been used.

Group Five-Year Performance

2013

Group revenue was $12,380 million as compared to $13,965 million for 2012. Many jobs started during the year have not reached the stage of revenue recognition resulting in the revenue of Offshore & Marine Division falling by 11% to $7,126 million. In 2013, 22 major new builds, comprising 20 jack-ups, an accommodation semi and a semi-submersible, were completed. Other significant jobs completed include a drillship upgrade, a semi upgrade, several FPSO projects and a diving support vessel. Revenue from Infrastructure Division increased by $627 million to $3,459 million due to higher revenue contributed by the co-generation power plant in Singapore. Property Division saw its revenue weakened by 41% to $1,768 million mainly from decline in sales recognition of Reflections at Keppel Bay units arising from the deliveries of residential units sold under the deferred payment scheme in 2012 which was not repeated in 2013.

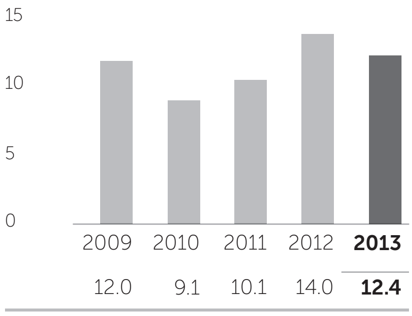
At the pre-tax level (before revaluation, major impairment and divestments), Group profit went down by $532 million from $2,695 million in 2012 to $2,163 million for the current year. Offshore & Marine Division posted a higher pre-tax profit of $1,187 million mainly from an increase in share of associated companies' profits partly offset by a decrease in operating results. Profit from Infrastructure Division picked up by 2% to $43 million due mainly to improved performance by its power and gas business. There was also a reversal of provision following the finalisation of the sale of the power barge. This was partly offset by losses arising from cost overruns pertaining to the EPC contracts. Property Division profit of $853 million was 33% lower than profit of $1,276 million for 2012. Reflections at Keppel Bay recorded higher profits in the previous year as it benefited from revenue recognition from the deliveries of residential units sold under the deferred payment scheme. This reduction was partially offset by higher contribution of profit from China and profit from the sale of Jakarta Garden City project. Fewer disposals of equity investments in 2013 resulted in the decline of Investments Division's profit to $80 million.

2012

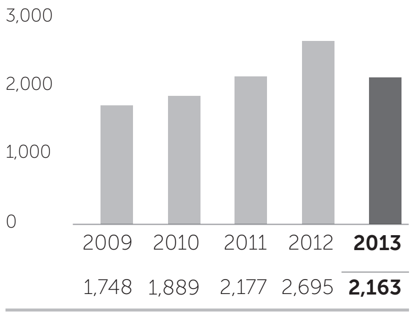
Group revenue of $13,965 million was 39% higher than 2011. Revenue from Offshore & Marine Division of $7,963 million was 40% above that of the previous year due to higher volume of work. The Division completed and delivered two semisubmersible rigs, one semisubmersible rig upgrade, four jack-up rigs, one multi-purpose self-elevating platform, one drillship outfitting, four FPSO conversions/upgrades, one FPSO module fabrication and integration, one FSU upgrade, one pipelay vessel completion, two specialised vessels and several upgrade/repair projects. Revenue from Infrastructure Division decreased slightly by $31 million or 1% to $2,832 million. Lower revenue from Engineering, Procurement and Construction contracts was partly offset by higher revenue generated from the co-generation power plant in Singapore. Revenue from Property Division of $3,018 million was 106% above 2011. The lumpy revenue was due mainly to higher contributions from Reflections at Keppel Bay following the delivery of residential units sold under the deferred payment scheme to the purchasers. This high level of revenue is not expected in 2013 as revenue recognition from sale of Reflections at Keppel Bay is expected to be lower.

At the pre-tax level (before revaluation, major impairment and divestments), Group profit of $2,695 million was 24% higher than 2011. Pre-tax earnings from Offshore & Marine Division decreased by 17% to $1,181 million, principally because of lower margins for rig building contracts. Profit from Infrastructure Division decreased by 65% to $42 million as a result of losses from Keppel Integrated Engineering, partly offset by better performance from Keppel Energy. Profit from Property Division increased from $582 million to $1,276 million due to higher contribution from associated companies and higher contribution from Reflections at Keppel Bay.

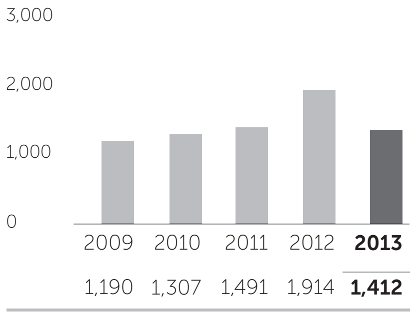
Revenue ($ billion)



Pre-Tax Profit ($ million) *



Net Profit ($ million) *



* Figures exclude revaluation, major impairment and divestments.

2011

Group revenue exceeded $10 billion, which was 10% higher than 2010. Revenue from Offshore & Marine Division of $5,706 million was slightly above that of the previous year. During the year, the Division completed and delivered eight rigs, seven major FPSO/FSO conversion projects and eleven specialised vessels, among other repair, upgrade and completion projects. Revenue from Infrastructure Division increased by $353 million or 14% to $2,863 million. Higher revenue generated from the cogen power plant in Singapore was partly offset by lower revenue from Keppel Integrated Engineering. Revenue from Property Division of $1,467 million was $425 million or 41% above the previous year. Overseas operations reported higher revenue, due largely to the completion of several projects/phases in India, China and Vietnam in 2011. Higher revenue was also reported by Singapore trading projects, such as Reflections at Keppel Bay, The Lakefront Residences, The Luxurie and Madison Residences due to higher sales and percentage of physical completion achieved.

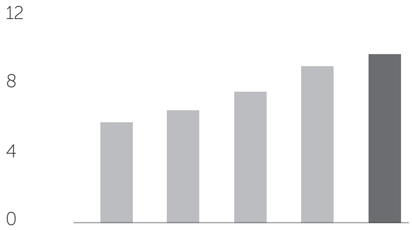
At the pre-tax level (before revaluation, major impairment and divestments), Group profit of $2,177 million was 15% higher than FY 2010. Pre-tax earnings from Offshore & Marine Division increased by 14% to $1,417 million. This was due to cost savings and higher margins on jobs. Profit from Infrastructure Division increased by 29% to $120 million as a result of better performance from Keppel Energy, partly offset by losses from Keppel Integrated Engineering. Property Division recorded profit of $582 million, an increase of 19% over the preceding year. This was mainly attributable to higher contribution from several residential projects in Singapore, China and Vietnam. Profit from Investments Division was lower due to higher costs in 2011.

2010

Group revenue of $9,140 million was 24% lower than last year. Revenue from Offshore & Marine Division of $5,577 million decreased by $2,696 million or 33% because of a lower volume of work. During the year, the Division completed and delivered twelve rigs, seventeen specialised vessels, five FPSO conversions/upgrades and several rig upgrade/repair contracts. Revenue from Infrastructure Division increased by $83 million or 3% to $2,510 million. Higher revenue generated from the cogen power plant in Singapore was partly offset by lower revenue from Engineering, Procurement and Construction (EPC) contracts in Qatar. Revenue from Property Division of $1,042 million was $209 million or 17% lower than the previous year. The decrease was mainly attributable to lower sales of residential homes partially offset by higher progressive revenue recognition from Reflections at Keppel Bay. Rental income from investment properties improved because of the acquisitions of investment buildings in Australia in 2010 and additional six strata floors of Prudential Tower in November 2009.

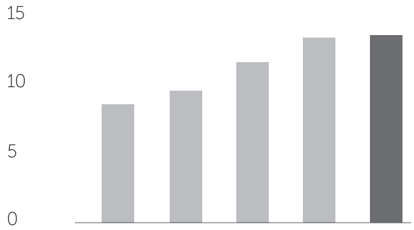
At the pre-tax level (before revaluation, major impairment and divestments), Group profit of $1,889 million was 8% higher than FY 2009. Pre-tax earnings from Offshore & Marine Division increased by 15% to $1,242 million. This was due to improved margins driven by cost efficiencies and higher productivity on delivered contracts. Profit from Infrastructure Division decreased by 38% to $93 million as a result of losses from EPC contracts in Qatar, partly offset by better performance from the cogen power plant in Singapore. Property Division recorded profit of $488 million, an increase of 33% over the preceding year. This was mainly attributable to higher contribution from several residential projects in Singapore, China and Vietnam, and share of profit of the associated company developing Marina Bay Suites in Singapore. Profit from Investments Division was lower as the previous year included contribution from Singapore Petroleum Company which was disposed in June 2009.

Shareholders' Funds ($ billion)



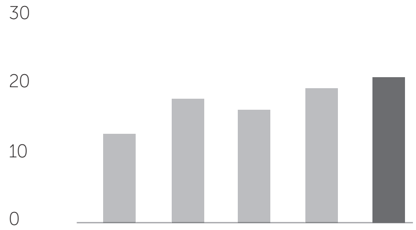
2009	2010	2011	2012	**2013**
5.9	6.6	7.7	9.2	**9.7**

Capital Employed ($ billion)



2009	2010	2011	2012	**2013**
8.7	9.7	11.8	13.6	**13.7**

Market Capitalisation ($ billion)



2009	2010	2011	2012	**2013**
13.1	18.2	16.6	19.8	**20.2**

2009

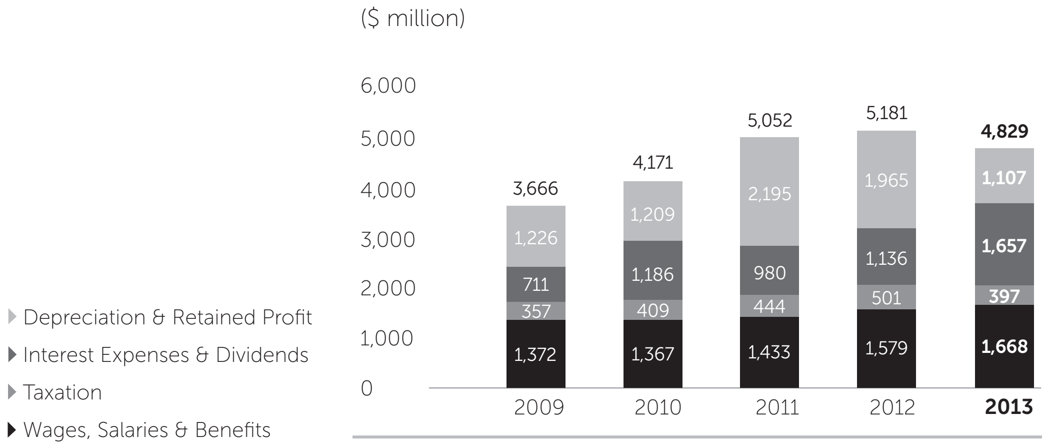
Group revenue rose by $206 million or 2% to $11,990 million, the highest achieved by the Group in a year. Higher revenue from Infrastructure and Property Divisions were more than sufficient to offset the fall in revenue from Offshore & Marine Division. Revenue from Offshore & Marine Division of $8,273 million decreased by $296 million or 3% because of lower value of new contracts secured. During the year, the Division completed and delivered fourteen rigs, fourteen specialised vessels and six major conversions/upgrades. Revenue from Infrastructure Division increased by 9% or $195 million. Higher revenue from Engineering, Procurement and Construction (EPC) contracts undertaken by Keppel Integrated Engineering was partially offset by lower revenue from Keppel Energy because of lower energy prices. Revenue from Property Division of $1,251 million was 35% above that of the previous year. This was mainly due to higher sale of residential homes in Singapore, China, Vietnam, Indonesia and India. Progressive revenue recognition from Reflections at Keppel Bay and other projects in Singapore and overseas were also higher. Rental income from investment properties also increased due to higher rental rates.

At the pre-tax profit level (before revaluation, major impairment and divestments), Group earnings of $1,748 million were 11% higher than FY 2008. Earnings from Offshore & Marine Division of $1,081 million were 15% above the previous year. Higher operating margins achieved in the year contributed to the increased profit. Infrastructure Division continued its steady build-up and more than doubled its earnings from $70 million to $150 million. Profit from both Keppel Energy and Keppel Integrated Engineering were higher. Property Division posted profit of $368 million, 8% higher. Earnings have increased because of higher revenue recognition from residential properties and share of profit of associated companies developing Marina Bay Residences in Singapore. Profit from Investments was lower following the disposal of Singapore Petroleum Company in June 2009.

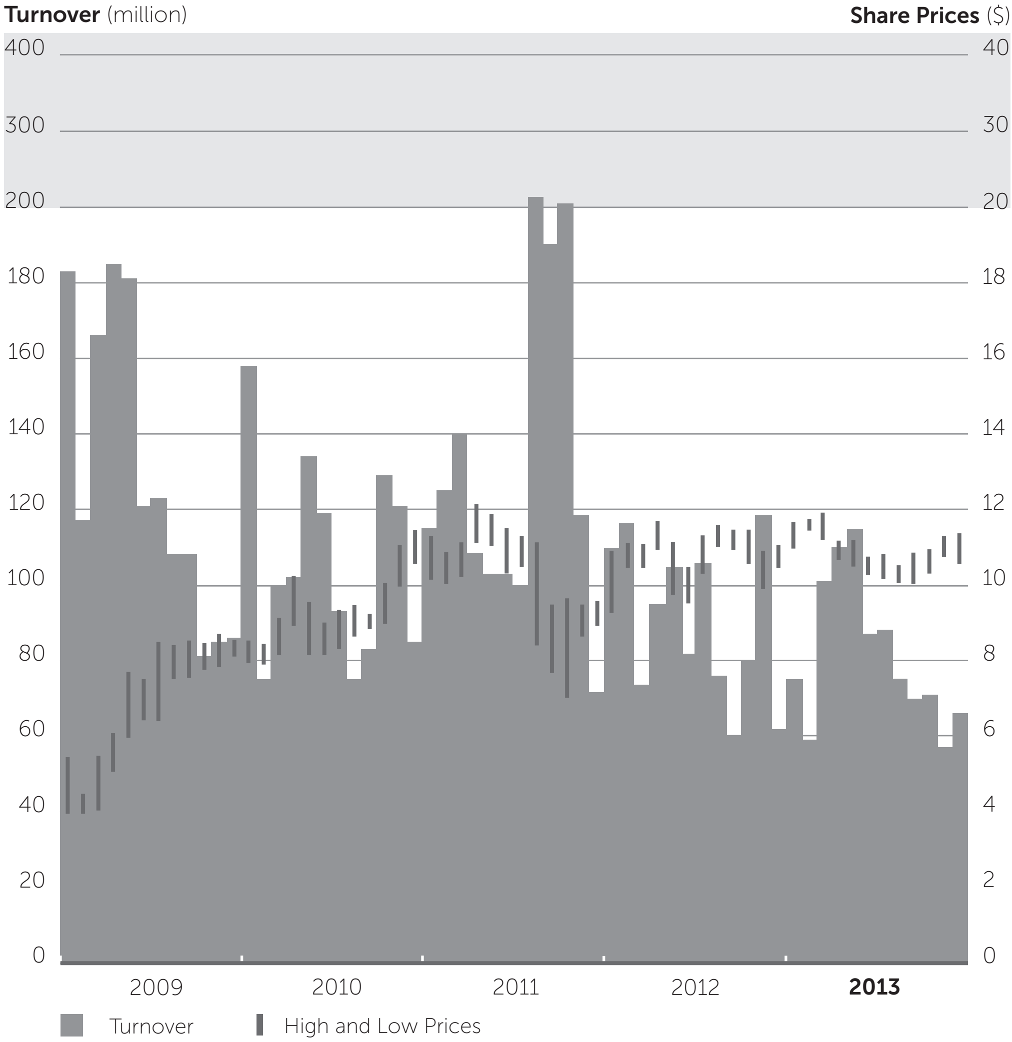
Group Value-Added Statements

($ million)	2009	2010	2011	2012	**2013**
Value added from:					
Revenue earned	11,990	9,140	10,082	13,965	**12,380**
Less: purchases of materials and services	(9,020)	(6,028)	(6,544)	(9,779)	**(8,696)**
Gross value added from operation	2,970	3,112	3,538	4,186	**3,684**
In addition:					
Interest and investment income	79	120	139	167	**158**
Share of associated companies' profits *	295	278	240	266	**356**
Revaluation, major impairment and divestments	322	661	1,135	562	**631**
	3,666	4,171	5,052	5,181	**4,829**
Distribution of Group's value added:					
To employees in wages, salaries and benefits	1,372	1,367	1,433	1,579	**1,668**
To government in taxation	357	409	444	501	**397**
To providers of capital on:					
Interest on borrowings	50	65	98	135	**125**
Dividends to our partners in subsidiaries	87	130	158	212	**175**
Dividends to our shareholders	574	991	724	789	**1,357**
	711	1,186	980	1,136	**1,657**
Total Distribution	2,440	2,962	2,857	3,216	**3,722**
Balance retained in the business:					
Depreciation & amortisation	174	189	208	211	**242**
Non-controlling interests share of profits in subsidiaries	85	420	765	306	**376**
Retained profit for the year	967	600	1,222	1,448	**489**
	1,226	1,209	2,195	1,965	**1,107**
	3,666	4,171	5,052	5,181	**4,829**
Number of employees	31,775	31,360	33,747	38,390	**39,364**
Productivity data:					
Gross value added per employee ($'000)	93	99	105	109	**94**
Gross value added per dollar employment cost ($)	2.16	2.28	2.47	2.65	**2.21**
Gross value added per dollar sales ($)	0.25	0.34	0.35	0.30	**0.30**

Notes:
* Figures exclude revaluation, major impairment and divestments.



Share Performance



	2009	2010	2011	2012	2013
Share Price ($)*					
Last transacted (Note 3)	7.48	10.29	9.30	11.00	**11.19**
High	7.91	10.42	12.18	11.67	**11.93**
Low	3.61	7.15	7.02	9.32	**10.01**
Volume weighted average (Note 2)	5.82	8.27	9.88	10.75	**10.87**
Per Share					
Earnings (cents) (Note 1)**	67.9	74.3	83.8	106.8	**78.2**
Total distribution (cents)	55.5	38.2	43.0	73.6	**49.5**
Distribution yield (%) (Note 2)	9.5	4.6	4.4	6.9	**4.6**
Net price earnings ratio (Note 2)**	8.6	11.1	11.8	10.1	**13.9**
At Year End					
Share price ($)	7.48	10.29	9.30	11.00	**11.19**
Distribution yield (%) (Note 3)	7.4	3.7	4.6	6.7	**4.4**
Net price earnings ratio (Note 3)**	11.0	13.8	11.1	10.3	**14.3**
Net price to book ratio (Note 3)	2.2	2.8	2.2	2.2	**2.1**
Net assets backing ($)	3.3	3.7	4.3	5.1	**5.3**

Notes:
1. Earnings per share are calculated based on the Group net profit by reference to the weighted average number of shares in issue during the year.
2. Volume weighted average share price is used in calculating distribution yield and net price earnings ratio.
3. Last transacted share price is used in calculating distribution yield, net price earnings ratio and net price to book ratio.
* Historical share prices are not adjusted for special dividends, capital distribution and dividend in specie.
** Figures exclude revaluation, major impairment and divestments.

Shareholding Statistics

As at 4 March 2014

Total number of issued shares	:	1,814,043,858
Issued and fully paid-up capital	:	$1,261,265,694.01
Class of Shares	:	Ordinary Shares with equal voting rights

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 999	2,352	5.45	638,881	0.03
1,000 - 10,000	35,310	81.79	107,783,682	5.94
10,001 - 1,000,000	5,472	12.68	172,831,345	9.53
1,000,001 & Above	36	0.08	1,532,789,950	84.50
Total	43,170	100.00	1,814,043,858	100.00

Twenty Largest Shareholders as at 4 March 2014	Number of Shares	%
Temasek Holdings (Private) Limited	371,408,292	20.47
Citibank Nominees Singapore Pte Ltd	315,810,999	17.41
DBS Nominees Pte Ltd	268,643,911	14.81
DBSN Services Pte Ltd	170,763,408	9.41
HSBC (Singapore) Nominees Pte Ltd	142,887,238	7.88
BNP Paribas Securities Services	70,689,502	3.90
United Overseas Bank Nominees Pte Ltd	68,646,849	3.78
Raffles Nominees (Pte) Ltd	33,599,008	1.85
Bank of Singapore Nominees Pte Ltd	14,858,930	0.82
Shanwood Development Pte Ltd	7,040,000	0.39
DB Nominees (S) Pte Ltd	6,532,045	0.36
Teo Soon Hoe	5,451,322[(i)]	0.30
Choo Chiau Beng	5,153,574[(ii)]	0.28
OCBC Nominees Singapore Pte Ltd	5,143,852	0.28
UOB Kay Hian Pte Ltd	3,829,221	0.21
Lim Chee Onn	3,544,282	0.20
OCBC Securities Private Ltd	3,129,087	0.17
Phillip Securities Pte Ltd	3,109,438	0.17
Tong Chong Heong	2,774,597[(iii)]	0.15
BNP Paribas Nominees Singapore Pte Ltd	2,762,590	0.15
Total	1,505,778,145	83.01

Notes:
(i) Includes 44,000 shares held by OCBC Nominees Singapore Pte Ltd on his behalf.
(ii) Includes 1,740,000 shares held by HSBC (Singapore) Nominees Pte Ltd, 554,000 shares held by DBS Nominees Pte Ltd and 200,000 shares held by Citibank Nominees Singapore Pte Ltd respectively on his behalf.
(iii) Includes 660,000 shares held by HSBC (Singapore) Nominees Pte Ltd, 220,000 shares held by OCBC Securities Pte Ltd, 700,000 shares held by Citibank Nominees Singapore Pte Ltd, 50,000 shares held by DMG & Partners Securities Pte Ltd and 400,000 shares held by Bank of Singapore Nominees Pte Ltd respectively on his behalf.

Substantial Shareholders

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Temasek Holdings (Private) Limited	371,408,292	20.47%	12,540,271	0.69%	383,948,563	21.17%
Aberdeen Asset Management PLC	-	-	107,190,900	5.91%	107,190,900	5.91%
Aberdeen Asset Management Asia Limited	-	-	102,546,900	5.65%	102,546,900	5.65%

Notes:
(i) Temasek Holdings (Private) Limited is deemed to be interested in an aggregate of 12,540,271 shares in which its subsidiaries and associated companies have an interest.
(ii) Aberdeen Asset Management PLC (AAMPLC) is deemed to be interested in an aggregate of 107,190,900 shares held by various accounts managed or advised by AAMPLC over which AAMPLC has disposal and voting rights.
(iii) Aberdeen Asset Management Asia Limited (AAMAL) is deemed to be interested in an aggregate of 102,546,900 shares held by various accounts managed or advised by AAMAL over which AAMAL has disposal and voting rights.

Public Shareholders

Based on the information available to the Company as at 4 March 2014, approximately 66% of the issued shares of the Company is held by the public and therefore, pursuant to Rules 723 and 1207 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the ordinary shares of the Company is at all times held by the public.

Treasury Shares

As at 4 March 2014, there are no treasury shares held.

Notice of Annual General Meeting & Closure of Books

Keppel Corporation

Keppel Corporation Limited
Co Reg No. 196800351N
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the 46th Annual General Meeting of the Company will be held at Raffles City Convention Centre, Stamford Ballroom (Level 4), 80 Bras Basah Road, Singapore 189560 on Thursday, 17 April 2014 at 3.00 p.m. to transact the following business:

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 December 2013. **Resolution 1**

2. To declare a final tax-exempt (one-tier) dividend of 30 cents per share for the year ended 31 December 2013 (2012: final tax-exempt (one-tier) dividend of 27 cents per share). **Resolution 2**

3. To re-elect the following directors, each of whom will be retiring by rotation pursuant to Article 81B of the Company's Articles of Association and who, being eligible, offers himself for re-election pursuant to Article 81C (see Note 2):

   (i) Mr Tony Chew Leong-Chee **Resolution 3**

   (ii) Mr Tow Heng Tan **Resolution 4**

   (iii) Mr Danny Teoh **Resolution 5**

4. To re-elect Mr Loh Chin Hua, whom being appointed by the board of directors after the last annual general meeting, will retire in accordance with Article 81A(1) of the Company's Articles of Association and who, being eligible, offers himself for re-election (see Note 2). **Resolution 6**

5. To approve the sum of S$2,149,500 as directors' fees for the year ended 31 December 2013 (2012: $1,575,436.51) (see Note 3). **Resolution 7**

6. To re-appoint the Auditors and authorise the directors of the Company to fix their remuneration. **Resolution 8**

Special Business

To consider and, if thought fit, to pass with or without any modifications, the following Ordinary Resolutions:

7. That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "Companies Act") and Article 48A of the Company's Articles of Association, authority be and is hereby given to the directors of the Company to: **Resolution 9**

   (1) (a) issue shares in the capital of the Company ("Shares"), whether by way of rights, bonus or otherwise, and including any capitalisation pursuant to Article 124 of the Company's Articles of Association of any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or

   (b) make or grant offers, agreements or options that might or would require Shares to be issued (including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares) (collectively "Instruments"),

   at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

(2) (notwithstanding that the authority so conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the directors of the Company while the authority was in force;

provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed fifty (50) per cent. of the total number of issued Shares (excluding treasury Shares) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed five (5) per cent. of the total number of issued Shares (excluding treasury Shares) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury Shares) at the time this Resolution is passed, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities or share options or vesting of share awards which are outstanding or subsisting as at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or sub-division of Shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Companies Act, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(iv) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required by law to be held, whichever is the earlier (see Note 4).

8. That: **Resolution 10**

(1) for the purposes of the Companies Act, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(a) market purchase(s) (each a "Market Purchase") on the SGX-ST; and/or

(b) off-market purchase(s) (each an "Off-Market Purchase") in accordance with any equal access scheme(s) as may be determined or formulated by the directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(2) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(a) the date on which the next annual general meeting of the Company is held or is required by law to be held; or

(b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(3) in this Resolution:

"Maximum Limit" means that number of issued Shares representing five (5) per cent. of the total number of issued Shares as at the date of the last annual general meeting or at the date of the passing of this Resolution, whichever is higher, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereafter defined), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury Shares that may be held by the Company from time to time);

"Relevant Period" means the period commencing from the date on which the last annual general meeting was held and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which is:

(a) in the case of a Market Purchase, 105 per cent. of the Average Closing Price (as hereafter defined); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120 per cent. of the Average Closing Price,

where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days (a "Market Day" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, in the case of Market Purchases, before the day on which the purchase or acquisition of Shares was made and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days, or in the case of Off-Market Purchases, before the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(4) the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution (see Note 5).

9. That: **Resolution 11**

(1) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and target associated companies (as defined in Appendix 2 to this Notice of Annual General Meeting ("Appendix 2")), or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in Appendix 2, with any person who falls within the classes of Interested Persons described in Appendix 2, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for Interested Person Transactions as set out in Appendix 2 (the "IPT Mandate");

(2) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next annual general meeting is held or is required by law to be held, whichever is the earlier;

(3) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST which may be prescribed by the SGX-ST from time to time; and

(4) the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution (see Note 6).

To transact such other business which can be transacted at the annual general meeting of the Company.

NOTICE IS ALSO HEREBY GIVEN THAT:

(a) the Share Transfer Books and the Register of Members of the Company will be closed on 25 April 2014 at 5.00 p.m., for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 25 April 2014 will be registered to determine shareholders' entitlement to the proposed final dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 25 April 2014 will be entitled to the proposed final dividend. The proposed final dividend if approved at this annual general meeting will be paid on 7 May 2014; and

(b) the electronic copy of the Company's Annual Report 2013 will be published on the Company's website on 26 March 2014. The Company's website address is http://www.kepcorp.com, and the electronic copy of the Annual Report 2013 can be viewed or downloaded from the "Financial Reports" section, which can be accessed from the main menu item "Investor Centre". To view the electronic copy of the Annual Report 2013, you will need the Adobe Reader installed on your computer, which can be downloaded free of charge at http://get.adobe.com/reader.

BY ORDER OF THE BOARD

Caroline Chang/Kenny Lee
Company Secretaries

Singapore, 26 March 2014

Notes:

1. A member is entitled to appoint one proxy or two proxies to attend and vote in his place. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, not less than 48 hours before the time appointed for holding the annual general meeting.

2. Detailed information on these directors can be found in the "Board of Directors" and "Directors and Key Executives" sections of the Company's Annual Report.

   Mr Tony Chew Leong-Chee will upon re-election continue to serve as Chairman of the Nominating Committee, and member of the Audit Committee. Mr Chew is the Executive Chairman of Asia Resource Corporation and Chairman of KFC Vietnam. Companies which he founded include Pepsi-Cola Vietnam, International Beverages Company Myanmar and JetstarAsia Pte Ltd. Mr Chew plays an active role in promoting regional business, having served on the Trade Development Board, Economic Review Sub-Comm for Entrepreneurship and Internationalisation, Regional Business Forum, and GPC Resource Panel for Finance, Trade and Industry. He is presently Chairman of Singapore Business Federation, Governing Board member of the Economic Research Institute for ASEAN and East Asia, the Chinese Development Assistance Council Board of Trustees, and Advisor to the Singapore Institute of International Affairs.

   Mr Tow Heng Tan will upon his re-election continue to serve as a member of the Nominating Committee, Remuneration Committee and Board Risk Committee. Mr Tow has an extensive business career spanning the management consultancy, investment banking and stockbroking industries. He is currently the Chief Executive Officer of Pavilion Capital International Pte. Ltd, a wholly-owned subsidiary of Temasek Holdings (Private) Ltd ("Temasek Holdings"). Mr Tow was also formerly Temasek Holdings's Chief Investment Officer. Prior to joining Temasek Holdings in September 2002, he was Senior Director of Business Development at DBS Vickers Securities (Singapore) Pte Ltd. From 1993 to 2001, Mr Tow was Managing Director of Lum Chang Securities Pte Ltd.

   Mr Danny Teoh will upon his re-election continue to serve as the Chairman of the Audit Committee and Remuneration Committee, and a member of the Board Risk Committee. Mr Teoh spent 27 years in KPMG LLP, Singapore and over the years, held various senior positions including member of KPMG International Board and Council, Head of the Audit and Risk Advisory Services and Head of Financial Services. He was the Managing Partner of KPMG LLP, Singapore from October 2005 and he retired from KPMG in September 2010. His other directorships include DBS Group Holdings Ltd, DBS Bank Ltd, CapitaMall Trust Management Limited (the manager of CapitaMall Trust), Changi Airport Group (Singapore) Pte Ltd and Jurong Town Corporation. He is Chairman of the Audit Committees of DBS Group Holdings Ltd, Changi Airport Group (Singapore) Pte Ltd and Jurong Town Corporation. He is also a member of the Risk and Nominating Committees of DBS Group Holdings Ltd.

   Mr Loh Chin Hua is currently the Chief Executive Officer of the Company, after having served as its Chief Financial Officer from 1 January 2012 to 1 January 2014, playing a pivotal role in all its major investment initiatives and financial decisions as well as shaping the Group's business strategy. Mr Loh has over 25 years of experience in real estate investing and fund management spanning the USA, Europe and Asia. He joined the Keppel Group in 2002 as the Managing Director of Alpha Investment Partners Ltd. Prior to this, he was the Managing Director at Prudential Investment Inc leading its Asian real estate fund management business and overseeing all investment and asset management for the real estate funds managed out of Asia. Mr Loh began his career with the Government of Singapore Investment Corporation, where he held key appointments in its San Francisco office and was head of the European real estate group in London before returning to Singapore to head the Asian real estate group.

   Mr Tony Chew Leong-Chee and Mr Danny Teoh are considered by the Board to be independent directors. Please see page 94 of the Company's Annual Report.

3. Resolution 7 is to approve the payment of an aggregate sum of S$2,149,500 as directors' fees for the non-executive directors of the Company for FY 2013. If approved, each of the non-executive directors (including the Chairman) will receive 70% of his total directors' fees in cash ("Cash Component") and 30% in the form of shares in the capital of the Company ("Remuneration Shares") (both amounts subject to adjustment as described below). The actual number of Remuneration Shares, to be purchased from the market on the first trading day immediately after the date of the Annual General Meeting ("Trading Day") for delivery to the respective non-executive directors, will be based on the market price of the Company's shares on the SGX-ST on the Trading Day. The actual number of Remuneration Shares will be rounded down to the nearest thousand and any residual balance will be paid in cash.

   The Remuneration Shares will rank *pari passu* with the then existing issued Shares. Details of the directors' remuneration can be found on page 101 of the Company's Annual Report. The non-executive directors will abstain from voting, and will procure that their respective associates to abstain from voting, in respect of this Resolution.

4. Resolution 9 is to empower the directors from the date of the annual general meeting until the date of the next annual general meeting to issue Shares and Instruments in the Company, up to a number not exceeding 50 per cent. of the total number of Shares (excluding treasury Shares) (with a sub-limit of 5 per cent. of the total number of Shares (excluding treasury Shares) in respect of Shares to be issued other than on a *pro rata* basis to shareholders). The 5 per cent. sub-limit for non-*pro rata* issues is lower than the 20 per cent. sub-limit allowed under the Listing Manual of the SGX-ST and the Articles of Association of the Company. Of the 5 per cent. sub-limit, in relation to the Company's Restricted Share Plan and Performance Share Plan (collectively, the "Share Plans"), the Company shall not award shares ("Awards") under the Share Plans exceeding in aggregate 2 per cent. of the total number of issued shares in the capital of the Company ("Yearly Limit"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised Yearly Limit may be used by the Company to make grants of Awards in subsequent years. For the purpose of determining the total number of Shares (excluding treasury Shares) that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury Shares) at the time that this Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 9 is passed, and any subsequent bonus issue, consolidation or sub-division of Shares.

5. Resolution 10 relates to the renewal of the Share Purchase Mandate which was originally approved by Shareholders on 18 February 2000 and was last renewed at the annual general meeting of the Company on 19 April 2013. At this annual general meeting, the Company is seeking a "Maximum Limit" of 5 per cent. of the total number of issued Shares, which is lower than the 10 per cent. Maximum Limit allowed under the Companies Act, Chapter 50 of Singapore. Please refer to Appendix 1 to this Notice of Annual General Meeting for further details.

6. Resolution 11 relates to the renewal of a mandate given by Shareholders on 22 May 2003 allowing the Company, its subsidiaries and target associated companies to enter into transactions with interested persons as defined in Chapter 9 of the Listing Manual of the SGX-ST. Please refer to Appendix 2 to this Notice of Annual General Meeting for details.

Corporate Information

BOARD OF DIRECTORS

Lee Boon Yang (Chairman)
Loh Chin Hua (Chief Executive Officer)
Tony Chew Leong-Chee
Oon Kum Loon (Mrs)
Tow Heng Tan
Alvin Yeo Khirn Hai
Tan Ek Kia
Danny Teoh
Tan Puay Chiang
Teo Soon Hoe

AUDIT COMMITTEE

Danny Teoh (Chairman)
Tony Chew Leong-Chee
Oon Kum Loon (Mrs)
Alvin Yeo Khirn Hai

REMUNERATION COMMITTEE

Danny Teoh (Chairman)
Lee Boon Yang
Oon Kum Loon (Mrs)
Tow Heng Tan

NOMINATING COMMITTEE

Tony Chew Leong-Chee (Chairman)
Lee Boon Yang
Tow Heng Tan
Tan Ek Kia
Alvin Yeo Khirn Hai

BOARD RISK COMMITTEE

Oon Kum Loon (Mrs) (Chairman)
Tow Heng Tan
Danny Teoh
Tan Puay Chiang
Tan Ek Kia

BOARD SAFETY COMMITTEE

Tan Ek Kia (Chairman)
Lee Boon Yang
Loh Chin Hua
Tan Puay Chiang

COMPANY SECRETARIES

Caroline Chang
Kenny Lee

REGISTERED OFFICE

1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
Telephone: (65) 6270 6666
Facsimile No.: (65) 6413 6391
Email: keppelgroup@kepcorp.com
Website: www.kepcorp.com

SHARE REGISTRAR

B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

AUDITORS

Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way
OUE Downtown 2
#32-00
Singapore 068809
Audit Partner: Cheung Pui Yuen
Year appointed: 2011

Financial Calendar

FY 2013

Financial year-end	31 December 2013
Announcement of 2013 1Q results	18 April 2013
Announcement of 2013 2Q results	18 July 2013
Announcement of 2013 3Q results	17 October 2013
Announcement of 2013 full year results	23 January 2014
Despatch of Annual Report to Shareholders	26 March 2014
Annual General Meeting	17 April 2014
2013 Proposed final dividend	
Books closure date	5.00 p.m., 25 April 2014
Payment date	7 May 2014

FY 2014

Financial year-end	31 December 2014
Announcement of 2014 1Q results	April 2014
Announcement of 2014 2Q results	July 2014
Announcement of 2014 3Q results	October 2014
Announcement of 2014 full year results	January 2015

Keppel Corporation

Keppel Corporation Limited
Co Reg No. 196800351N
(Incorporated in the Republic of Singapore)

IMPORTANT
1. For investors who have used their CPF monies to buy Keppel Corporation Limited's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as observers have to submit their requests through their CPF Approved Nominees so that their CPF Approved Nominee may register, within the specified timeframe, with the Company's Share Registrar. (CPF Approved Nominee: Please refer to Note No. 8 on the reverse side of this form on the required details.)
4. CPF investors who wish to vote must submit their voting instructions to their CPF Approved Nominees to enable them to vote on their behalf.

ANNUAL GENERAL MEETING

Proxy Form

I/We ______________________________ (Name) ______________ (NRIC/Passport Number)

of ____ (Address)

being a Shareholder(s) of KEPPEL CORPORATION LIMITED (the "Company") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Shareholders of the Company ("AGM") to be held on 17 April 2014 at Raffles City Convention Centre, Stamford Ballroom (Level 4), 80 Bras Basah Road, Singapore 189560 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the meeting and at any adjournment thereof.

Resolutions	Number of Votes For *	Number of Votes Against *
Ordinary Business		
1. Adoption of Directors' Report and Audited Financial Statements		
2. Declaration of dividend		
3. Re-election of Mr Tony Chew Leong-Chee as director		
4. Re-election of Mr Tow Heng Tan as director		
5. Re-election of Mr Danny Teoh as director		
6. Re-election of Mr Loh Chin Hua as director		
7. Approval of directors' fees to non-executive directors		
8. Re-appointment of Auditors		
Special Business		
9. Issue of additional shares and convertible instruments		
10. Renewal of Share Purchase Mandate		
11. Renewal of Shareholders' Mandate for Interested Person Transactions		

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✔) within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Shares in the boxes provided.

Dated this ________ day of ______________ 2014

Total Number of Shares held	

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: Please read the notes overleaf before completing this Proxy Form.

Fold and glue firmly along dotted line

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Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you only have Shares registered in your name in the Register of Members, you should insert that number of Shares. However, if you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A Shareholder of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a Shareholder of the Company. Where a Shareholder appoints two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy.
3. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies will be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy or proxies, to the meeting.

Fold along this line (1)

Affix
Postage
Stamp

The Company Secretary
Keppel Corporation Limited
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Fold along this line (2)

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, not less than 48 hours before the time appointed for the Annual General Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. A corporation which is a Shareholder may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shareholders whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such Shareholders are not shown to have Shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. CPF Approved Nominees acting on the request of the CPF investors who wish to attend the Annual General Meeting as observers are requested to submit in writing, a list with details of the CPF investors' names, NRIC/Passport numbers, addresses and number of Shares held. The list, signed by an authorised signatory of the CPF Approved Nominee, should reach the Company's Share Registrar, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758 at least 48 hours before the time fixed for the Annual General Meeting.

Edited and Compiled by
Group Corporate Communications, Keppel Corporation

Designed by
Sedgwick Richardson

KEPPEL CORPORATION LIMITED
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